



SUSTAINABILITY REPORT [2019]





*"Water is the driving
force of all nature"*

Leonardo Da Vinci



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LETTER

FROM THE CEO

Dear readers,
I am pleased to present you with the 2019 Sustainability Report, which seeks a two-fold purpose: On the one hand, to describe our performance in non-financial and Social Responsibility reporting during 2019; and, on the other, to report on the main milestones reached this year. As expected, this Report will inform our stakeholders about how we respond to their concerns and how we create medium and long-term value.



The Report describes the highlights of our activity, with an in-depth examination of its association with Sustainable Development Goals (SDGs). It has been drawn up according to the Global Reporting Initiative (GRI) Guide, following GRI Standards, and is verified by an independent third party. This evidences our commitment to transparency, giving us the chance to meet the requirements foreseen in Spanish Act 11/2018 on non-financial reporting.

As regards our strategy, one of our aims continues to be geographical diversification and consolidation in countries where we already have an operative structure. We are working on extending our borders to the Middle East. Furthermore, in the next few years, we intend to promote investment in strategic fields such as desalination.

Further to the Group's global strategy for growth and diversification, in October 2019 we concluded a process to purchase 100% of the units of Fondo de Inversión en Participaciones Multiestrategia en Operaciones Industriales, the firm indirectly controlling BRK Ambiental's industrial treatment operations, for a total of 232 million Euros. With this purpose, last year GS Inima Brazil inaugurated a new portfolio segment- GS Inima Industrial-, specializing in the treatment of water and industrial effluents and the production of wastewater.

GS Inima Industrial has the largest wastewater production plant in Latin America, Aquapolo. GS Inima Industrial Triunfo is in charge of collecting and treating the water supplied to companies in Complejo Petroquímico del Sur, Rio Grande do Sul. Finally, GS Inima Industrial Jeceaba, located in the municipality of Minas Gerais, is the largest tertiary operation in the Brazilian iron and steel sector.

As will be described throughout this document, we have followed up on achievement of our commitments, very often with significant progress.

By diversifying our activity towards Industrial Water, we have embarked on a new development stage where we will focus our effort on becoming very familiar with the market and consolidating our assets. Thanks to this acquisition, GS Inima Environment through its subsidiary, GS Inima Brazil, has positioned itself as a reference in Brazil's industrial water treatment sector.

In turn, we are still consolidating our position in the comprehensive water cycle market, and in the Concessions market, with an awarded concession for water treatment in the city of Ouro Preto (Brazil), a World Heritage Site.

From an organizational point of view, we are still in the midst of implanting the process re-engineering that began in 2018, which seeks to optimize the company's management. A change in our Data Management Systems is beginning to bear fruit, increasing our efficiency day to day.

The 2019 financial year ended with a turnover figure of 221 million Euros, representing a 24% increase over 2018, with gross operating results of 46 million Euros and a portfolio of 8,404 million Euros. Furthermore, as evidence of our effort to boost efficiency, EBITDA registered 60 million Euros.

We are aware of the importance of innovation, which is why our R&D team is developing pioneer projects; the budget assigned last year exceeds €500,000, totaling more than 2 million Euros in the last five years.

In corporate governance matters, our management model is based on fundamental ethical and transparency principles reflected in our Code of Ethics, which is generally available on our corporate website.

Employee commitment is one of GS Inima's cornerstones. This is why we are promoting measures that seek to encourage and develop employee talent, to reach a balance between work and family life and health & safety. The various actions launched include a new training plan in Spain. Over the year, more than 10,000 hours' training have been arranged, distributed into approximately 300 courses.

From an environmental point of view, GS Inima is still working on its environmentally-friendly management model, to reduce the environmental impact of its activity and adapt to the consequences of climate change. Over the next few years, we expect to still make progress in initiatives launched to improve company performance in energy efficiency terms. Furthermore, our objectives in this field include the digitalization of the environment management system within the corporation and the launching of a project to register our carbon print.

Along with our clients and suppliers, we are working to support our surroundings. Our commitment to society and to the local community is manifested in various volunteer work initiatives and our Social Action plan, which directly involves our employees in protection of the environment and helps local development where Inima is present.

I would like to take this opportunity to thank each and every one of our professionals for their effort and dedication. Together, we will continue to move forward without losing sight of our mission: to guarantee a sustainable future in the society in which we operate.

Marta Verde Blázquez
CEO General Management

I hope that a reading of this Sustainability Report will provide a more complete and detailed view of our commitments and performance.



HISTORY

OF GS INIMA

ONE OF A KIND IN SPAIN

- [1955] ▪ Incorporation of Inima
- [1968] ▪ First desalination plant in the world (Cabo Verde)
- [1970] ▪ First desalination plant in Spain (Fuerteventura I)
- [1990] ▪ Foundation of INI Medio Ambiente
- [1991] ▪ Foundation of Sedma (subsidiary of Lain)
- [1996] ▪ Privatization (merger of Inima and Sedma)
A strong focus on international growth
- [1999] ▪ The largest desalination plant in Europe (Carboneras)
- [2001] ▪ The largest desalination plant in Latin America (Antofagasta, Chile)
▪ Acquisition of Ambient and growth in Brazil
- [2002] ▪ OHL increases its stake in Inima to 100%
- [2007] ▪ First desalination plant for human consumption in Mexico (SDP Los Cobos)
▪ 1st Prize in IDA Conference for Technological Innovation in Design (SDP Los Cabos Mexico)

INVESTMENT ABROAD

CONSOLIDATION ABROAD

- [2008] ▪ 1st desalination plant for drinking water in the United States
- [2009] ▪ La mayor planta de secado térmico en España (Metrofang)
- [2010] ▪ The biggest desalination plant in Africa, Mostaganem (Algeria)
- [2011] ▪ Award to WWTP Lagares (Vigo), Europe's largest biofiltering plant
▪ 1st purification plant with electricity generation (biogas cogeneration in Brazil) (Riberão Preto)
- [2012] ▪ GS E&C purchases Inima from the OHL Group, renamed as GS Inima Environment. GS&EC leads the engineering and construction sector in South Korea
- [2013] ▪ Award of Comprehensive Water Management in the city of Soria
- [2014] ▪ Award of the water purification plant in Fez-Meknes (Morocco) and desalination plant in D'Jerba (Tunisia)
- [2015] ▪ 3rd desalination plant in Chile, Radomiro Tomic
▪ Award of 2 contracts for Comprehensive Water Management in Paraibuna and Santa Rita (Brazil)
- [2016] ▪ Acquisition of SAMAR Brazil. Comprehensive water management Araçatuba (Brazil)
- [2017] ▪ Consolidation in Chile
▪ Construction of a desalination plant in Atacama (Chile)
▪ Acquisition of ASCAN WATER
- [2018] ▪ Viability study selection to develop SDP Fortaleza (Brazil)
- [2019] ▪ Renewal of the operation & maintenance contract for WWTP Crispijana
▪ Extension and Improvement Works in WWTP Villafranca del Penedés (Spain)
▪ Concession of supply and wastewater services in Ouro Preto (Brazil)
▪ Acquisition of BRK (Brazil)
▪ Operation and maintenance of the sanitation system in La Garriga (Spain)

GS INIMA

IN THE WORLD

GS Inima's projection on the national and international market acts as a lever to sustain its strong presence and activity in the sector. In fact, GS Inima is the Spanish company with the most plants under management abroad in concession terms.

Currently, the company has stable activity in **Spain, Brazil, Mexico, Tunisia, Algeria, Chile, Morocco and U.S.A.**, with a high turnover volume in each one. In turn, it operates in the **Middle East, Western Europe, Colombia and Peru.**

Over the year, more than 80% of our operations were carried out abroad, with respect to activity on the national market.

MAIN CONTRACTS AWARDED

DURING 2019

BRASIL

- Acquisition of BRK
- Concession of supply and wastewater services in Ouro Preto

SPAIN

- Extension and improvement works in WWTP Vilafranca de Penedès
- Operation and maintenance of the sanitation system in La Garriga
- Renovation of the operation and maintenance contract for WWTP Crispijana



EUROPE

SPAIN ●●●●●●●●
PORTUGAL ○

NORTH AMERICA

USA ●●●●
MEXICO ●●●●

SOUTH AMERICA

BRASIL ●●●●●●●●
CHILE ●●

AFRICA

ALGERIA ○○

● GS Inima Environment representative offices

○ GS Inima Environment subsidiaries



OUR PERFORMANCE

IN FIGURES

CLIENTS

[800,000]
inhabitants supplied

[2,000,000 m³/day]

[30] [19] [20]
WWTP DWTP desalination plants

[1]
sludge thermal drying plant

[1]
SUW management plant

[94]
claims received in Spain

EMPLOYEES

[1,627]
employees in GS Inima

[28%]
women on staff

[(±) 11.000 hour]
of training

[302]
courses

[73%]
of employees covered by CBAs

SUPPLIERS

[803]
suppliers hired this year

[91%]
of all purchases from local suppliers

[48]
inspections conducted on suppliers

[1,146]
validated suppliers

ENVIRONMENT

[94,000 tn]
used materials

[142,811 GJ]
of direct energy consumed

[613,524 MWh]
of electricity consumed

[293,528 tn]
of CO₂ emitted in 2019

[0]
environmental sanctions received

MANAGEMENT OF GS INIMA

[12,044 thousand €]
attributable net profit

[128,223 thousand €]
distributed economic value

[1,120,397 thousand €]
total assets

[627,423 thousand €]
investments

[94,342 €]
investment in social action

BUSINESS MODEL

OF GS INIMA

Thanks to its more than 50 years' experience, GS Inima has eventually become a reference in sustainability and commitment to development, thanks to its business model based on design, construction, the search for financing, operation & maintenance of water and service infrastructures.

It is internationally recognized as a pioneer company in the engineering sector and construction of water treatment and purification plants, as well as desalination by reverse osmosis.

GS Inima has the following main lines of business:

WATER SERVICES MANAGEMENT

12 contracts covering a population of nearly 800,000 equivalent inhabitants

- 8 in Spain: Cantabria, Toledo and Soria
- 4 in Brazil: Santa Rita, Araçatuba (Sao Paulo), Parabuna (Sao Paulo) and Maceió (Alagoas)

CONSTRUCTION

Design and construction of 7 facilities with a flow of nearly 300,000 m³/day.

- 5 wastewater purification plants (WWTP) with a flow of nearly 70,000 m³/day: Aranjuez (Spain), Ain M'Lila (Algeria), Ribeirao Preto and Maceió (Brazil)
- 1 drinking water treatment plant (DWTP) with capacity greater than 170,000 m³/day: Fez (Morocco)
- 1 desalination plant, with more than 38,000 m³/day: Atacama (Chile)

“With acknowledged technological know-how, it is the company that manages the most plants in the world under a concession, which has resulted in solid international presence and activity”

Furthermore, GS Inima offers global solutions and operating capacity to design, develop and execute turnkey projects and facilities, adapting to the conditions and requirements of each client and country.

GS Inima is present at all stages of the projects in which it is involved: design, technology, construction, financing and operation & maintenance. In turn, it operates both in the public and private market.

It is a clear reference in environmental innovation, as it incorporates cutting-edge technologies and invests in research and development, taking particular care when integrating its designs into the environment, saving energy consumption and reducing atmospheric emissions.

Over the next few years, GS Inima expects to intensify its activity in the field of concessions and water management services, taking advantage of its economic strength and leading position in the sector. Its concession activity generates long-term value in addition to constant and predictable cash flows, which constitutes a guarantee for the company's economic sustainability.

Thanks to its experience accumulated since it began operating, GS Inima has consolidated its presence in Spain and offers

long-term experience in the construction and operation of purification and treatment plants for wastewater and salt water. Furthermore, after more than seven years' membership of GS E&C, we have been able to diversify the company's activities, opening up new lines of business such as water services management, with 12 contracts in force and greater international presence. Belonging to a large company generates valuable synergies and more possibilities to access new geographical regions and business opportunities.

Furthermore, as part of its strategy for growth and diversification, GS Inima Brazil finalized its acquisition of GS Inima Industrial in October 2019, three industrial assets that open up a line of business: the treatment of industrial water and effluents.

Completion of this process to acquire BRK places GS Inima Environment, through its subsidiary GS Inima Brazil, as a leader of reference in Brazil's industrial water treatment sector.

Over the next few years, GS Inima will further its diversification both in business and market terms. The company will continue with its new EPC contracts and expects to continue increasing its presence in the water services management line of business, exploring the markets where the company is already present and, at the same time, opening up new lines of business in Latin American countries and Europe.



OPERATION & MAINTENANCE

8 plants under O&M, involved in the treatment of drinking water, and sea and salt water desalination plants, with capacity of almost 500,000 m³/day

- 7 wastewater purification stations (WWTP): Crispijana, Tarazona, Illescas, West Coast of Almería, Montomés del Vallès, Segovia and Santander (Spain)
- 1 desalination plant (EDAM): Carboneras

CONCESSIONS

In 6 countries, in 3 continents. 16 contracts in force with capacity of approximately 800,000 m³/day

- 7 sea or salt water desalination plants.
- 6 wastewater purification stations (WWTP)
- 1 drinking water treatment station (DWTP)
- 1 thermal sludge drying plant, with capacity of 48 t/day
- 1 biorecycling management plant with capacity of 364,000 t/year



ECONOMIC PERFORMANCE

OF THE COMPANY [102-45]

GS Inima seeks to grow by expanding the scope of its foreign activities and establishing an advanced management structure. An integrated plan for risk control and minimization will help reinforce the solidity of its operations.

The company is constantly evolving, striving to find outsourcing opportunities in new markets, in geographical areas with high potential for growth, such as Latin America and Europe, in addition to developing new areas of business associated to the environment.

The results obtained in 2019 reflect GS Inima's commitment to generate value for all of the company's stakeholders: employees, through the payment of salaries and wages; suppliers, through expenditure in raw materials and supplies in daily operations; and the Public Administration, thanks to the payment of taxes.

GS Inima's commitment to internationalization and its entry into new business areas are reflected in the volume of investments accounted for in each company, under the

financial asset model and through the participation method, over the last few years.

Results (thousand €)	2017	2018	2019
Operating income	165,826	178,069	220,613
Investments	198,988	209,122	627,423
Operating profit	30,081	34,169	45,718
Net profit	10,180	13,870	12,044

SALES IN 2019

[220,613 thousand €]

PORTFOLIO IN 2019

[8,404,489 thousand €]

EBITDA IN 2019

[59,645 thousand €]

Investments under participation methods (thousand Euros) by company	2017	2018	2019
Cádiz San Fernando, A.I.E.	1,192	1,201	1,218
Participes de Biorreciclaje, S.A.	4,491	5,046	5,616
Shariket Miyeh Ras D'Jinet, Spa	7,118	8,312	-
Shariket Tahlyah Miyah Mostaganem, Spa	19,898	24,034	-
Hialeah Water, LLP	531	355	344
Total	33,230	38,948	7,178

Investments with financial assets (thousand Euros) by company	2017	2018	2019
Aguas de Ensenada, S.A de C.V.	28,280	34,171	40,262
Ambient Serviços Ambientais de Ribeirão Preto, S.A.	52,772	55,710	58,310
Araucária Saneamento, S.A.	33,506	29,446	29,399
Promoqua Desalación de Los Cabos S.A. de C.V.	7,874	7,839	7,294
SANAMA Saneamento Alta Maceió S.A.	547	5,141	13,291
Saneamento de Vale do Paraíba, S.A.	23,242	20,409	20,430
SESAMM Serviços de Saneamento de Mogi Mirim, S.A.	19,537	17,598	17,884
Shariket Miyeh Ras D'Jinet, Spa	-	-	61,426
Jeceaba Ambiental S.A.	-	-	94,815
Total	165,758	170,314	343,111

Distributed economic value (thousand €)	2017	2018	2019
Staff expenses	31,468	31,955	36,523
Operating costs	55,620	62,588	79,782
Tax on profit	10,037	11,703	11,918
Distributed economic value (B)	97,125	106,426	128,223
Generated economic value (A)	165,826	178,069	220,613
Withheld economic value (A)-(B)	68,701	71,823	92,390

THE WATER CYCLE

THE FOUNDATIONS OF OUR BUSINESS

WHO¹ has estimated that between 2030 and 2050, as a consequence of climate change, 250,000 more people will die each year from malnutrition, malaria, diarrhea and caloric stress. Over the last ten years, basic human needs for water (drinking, bathing and domestic use), sanitation (access to latrines, safe removal of solid waste) and hygiene have become more important in the world's healthcare map. The population in the world's poorest areas greatly suffers from a shortage of these basic services.

Access to drinking water was one of the targets of the Millennium Development Goals and one of the first to be achieved. Nevertheless, the situation is still chronic, as indicated by United Nations data.

Water is a natural resource and a scarce asset for human beings, which is why permanent and highly specialized surveillance should exist throughout the cycle, guaranteeing top quality in a sufficient amount.

Recently, the idea of a "circular economy" has arisen. The urgent need to efficiently use resources has triggered measures in all fields, to transform the linear economic model. The water sector has been aware of this from the start. The hydrological water cycle naturally incentivizes this type of activity and there are already success stories worldwide. However, there is still much room left for the application of innovating technologies to shorten the circle even more.

The main challenges to improve the efficient use of energy and water are:

- To create a collaborative approach when planning the use of energy and water resources
- To select efficient technologies for the use of resources
- To disseminate technological transfer at critical points along the value chain
- To create public-private ventures
- To encourage innovation and creation of capacities to resolve energy management issues.

Technological developments involve efficient techniques to reduce leaks, energy efficiency in water supply and sanitation, technology for efficient energy production and efficient water management for utilities.

GS Inima has joined the challenge to achieve an efficient use of hydric resources and to develop infrastructures that guarantee universal water access; it has become a key agent in local economic development, where it is present, in environmental conservation and in safeguarding the human right to water.



¹ "The Global Health Journey 2007-2017"

WATER SERVICES

MANAGEMENT

By 2030, we expect to face a global water deficit of 40% in a climate scenario that is identical or even worse than the current one. By 2050, according to the International Energy Agency, the world's energy consumption will increase up to 50% due to urban development, industrialization and digitalization. From the water sector, we need to imperiously respond to this reality in order to ensure more efficiency and sustainability.

Energy consumption in desalination processes may account for 50-60% of all water production costs. Furthermore, our infrastructures were designed to provide a response in unfavorable scenarios, and are not always running at their efficiency peak level. Seen in terms of one of its highest operating costs- electricity- there is great savings potential. By reducing energy expenditure greater synergies are achieved: we will save part of the capital invested and reuse it to improve infrastructures. Organizations such as the Carbon Disclosure Project (CDP) or the World Wildlife Fund (WWF) are demanding that companies demonstrate a responsible administration of hydric resources in their operations and in the hydrographic basins where they operate.

The sector has a two-fold challenge with respect to climate change:

- To improve efficiency by reducing energy consumption and prioritizing the use of clean energy sources, helping reduce emissions.
- To incentivize more efficient water, use in the agricultural sector, which currently consumes 70% of the world's water, e.g. in the urban water cycle, with citizen awareness campaigns or the management of leaks, etc.

At present, GS Inima is managing water supply for nearly 800,000 inhabitants living in Soria, Picadas-Almoguera, Seseña, Cantabria, Araçatuba, Santa Rita, Maceió, Paraibuna and Ouro Preto.

Management begins with collecting surface or underground water, after which the water is processed at treatment plants depending on its intended use. Plants play a key role in the comprehensive water cycle, as they generate water for final consumption and distribute it at various consumer points, in the urban, industrial or agricultural fields.

Once consumed, wastewater is collected through channeling and sanitation collectors and carried to purification plants, where sanitation and purification processes remove all polluting particles. The cycle ends when the purified water is redirected to natural surroundings, where the management process ends and the water cycle begins again.

The company not only guarantees water quality for any need, but also ensures that it is returned to its surroundings in the best condition, minimizing any environmental impact.

² AEDYR. "La desalación española, ejemplo mundial"



CORNERSTONES

OF GS INIMA

GS Inima Environment S.A. began operating in the water sector in 1955. It is a pioneer in environmental matters and has long-term experience in water treatment. It constitutes a reference point in international technology, incorporating any new progress made in each developed project. The company has the longest track record in reverse osmosis desalination in Spain and is one of the few companies in the world with references in desalination plants, able to produce at least 200,000 m³/day.

After more than seven years belonging to GS E&C, the company has been able to diversify its activities, by opening up new lines of business such as water management services, with 8 contracts in force, and greater international presence. Membership of a large company has generated many synergies and greater facilities to access new geographical regions and business opportunities.

New geographical, sectoral and human horizons, as well as the synergies provided by the GS E&C Group, have all offered GS Inima a realm of valuable opportunities to ensure its sustainable growth, employing technology and backed up by a great team and group of professionals.

GS Inima's principal value is unity, teamwork and appropriate decision-making, always valued as a whole, firmly, rapidly and efficiently.

The company's philosophy tries to prioritize comprehensive and sustainable water management and encourage respect towards persons and the environment through sustainable development.

[OUR MISSION]

GS Inima's mission is to guarantee a sustainable future in any society where it is present. To do this, it works with its clients and suppliers in order to protect the environment and our surroundings. The company's idea of value is to sustain local economic and environmental development.

The company has vocation for growth in the water sector, as a leader in terms of quality and service, backed up by its geographical diversification and the cultural integration of its business activities, under a social and environmental responsibility framework. This internationalization has allowed it to acquire highly relevant experience in the field of concessions, projects were the company designs, constructs, finances and operates during a 25-30 year period.

Thanks to this, currently GS Inima is one of Spain's water sector companies with the largest number of plants abroad under

a concession, representing solid international presence and activity (16 concessions).

[OUR VISION]

The company's vision is to offer products and services in the water sector that are able, in a sustainable manner and with excellent management, to anticipate, cover and resolve its clients' needs, as well as to offer professional development to its collaborators.

GS Inima holds a leading position in the water sector, and seeks to contribute the best innovating solutions. It pursues leadership in the water sector in all international areas where it operates. It seeks to improve the quality of surroundings, generating wellbeing for society where it is present.

With the aim of becoming a sustainable company with an international outlook, this effort is based on two cornerstones: technological development and the support provided by a great team of professionals, recognized by our clients in all fields.

2020 VISION

TO BECOME A SUSTAINABLE COMPANY WITH AN INTERNATIONAL OUTLOOK

"We are a powerful company and loyal partner, offering vigor, creativity and quality in our construction activity"

[OUR APPROACH]

Innovation is one of GS Inima's signs of identity, particularly focused on the environmental integration of its designs, savings in energy consumption and reduced atmospheric emissions.

The Company's approach and way of doing things, is based on the excellent reputation enjoyed amongst clients, shareholders and suppliers. Thanks to its track record, GS Inima is one of Spain's leading companies in the water sector, consolidating its reliability, prestige and innovation.

MORE THAN
50 YEARS
OF PROFESSIONAL
EXPERIENCE

GS Inima's approach is based on the following strengths:

PRESTIGE
AND SOLVENCY
BUSINESS EXPERIENCE

TEAMWORK
INTERNALLY AND WITH
OUR PARTNERS,
AS A SIGN OF IDENTITY

DIVERSIFICATION
CLIENT TYPOLOGY AND
OPERATING CONDITIONS

INNOVATION
AN ENGINE
FOR GROWTH

To achieve excellence and maximum efficiency is and has always been a priority objective for GS Inima. Excellence in each one of the projects developed is achieved thanks to including the latest practices and cutting-edge technologies in constructed plants, whereas efficiency is achieved by investing in lower operating costs.

At GS Inima we are aware that a key issue to maintain our position on the research and development market are our agreements with academic institutions, such as universities and research centers, which, along with the company's in-house knowledge, are the key to continued progress in technological development (more information in the "Committed to Innovation" Chapter).

[OUR VALUES]

Until now, GS Inima's values were at the heart of the company's management principles: unity, teamwork and dynamic decision-making, always valued as a whole, generating firm, fast and effective decisions. The values making up our G-Spirit were:

- **INNOVATION** as a differentiating factor -> Great Innovation
- **COMMITMENT**, to its employees, investors, clients and society-> Great Partnership
- **PROGRESS**, as a symbol of economic growth-> Great Challenge

Progress, innovation and commitment are some of the values making up the "We GS Inima" culture, and would be conceptual only without the persons behind them who make them possible. GS Inima is made up a great human, technical and professional team, which transforms each project's difficulties into new challenges and potential improvement. This is the spirit with which GS Inima has always tackled its day-to-day activity, its interpretation of the responsibility inherent to the company's work.

In August 2019, without prejudice to the foregoing, GS E&C announced a reformulation and extension of its fundamental values, focusing on its commitment to achieve sustainable development by fulfilling its social responsibilities.

Aligned with its view, these values were used to enrich humanity with creativity and passion, acting as a reliable partner and global leaders for its clients, employees, investors and society.



Safety

GS Inima's commitment to guarantee safe surroundings for its employees is evidenced through various measures implemented throughout its business trajectory.

Its Integrated Environmental, Quality, Energy Efficiency and Health & Safety Policy, occupational risk prevention management system certified under OHSAS 18001:2007, or the incorporation of a Health & Safety Committee, are some clear examples.



Fair HR Management

GS Inima's main asset are the persons belonging to the company, those who uphold their professionalism and make a daily effort to contribute to the benefit of the company's services.

Consequently, fair management of human resources involves a commitment to guaranteed equal treatment, the retention and management of talent and effective communications.



Action Rather than Words

Adapting to surrounding conditions that are undergoing constant change and continued improvement in its performance, are some of the cornerstones used by GS Inima to achieve excellence.

VALUE CREATION

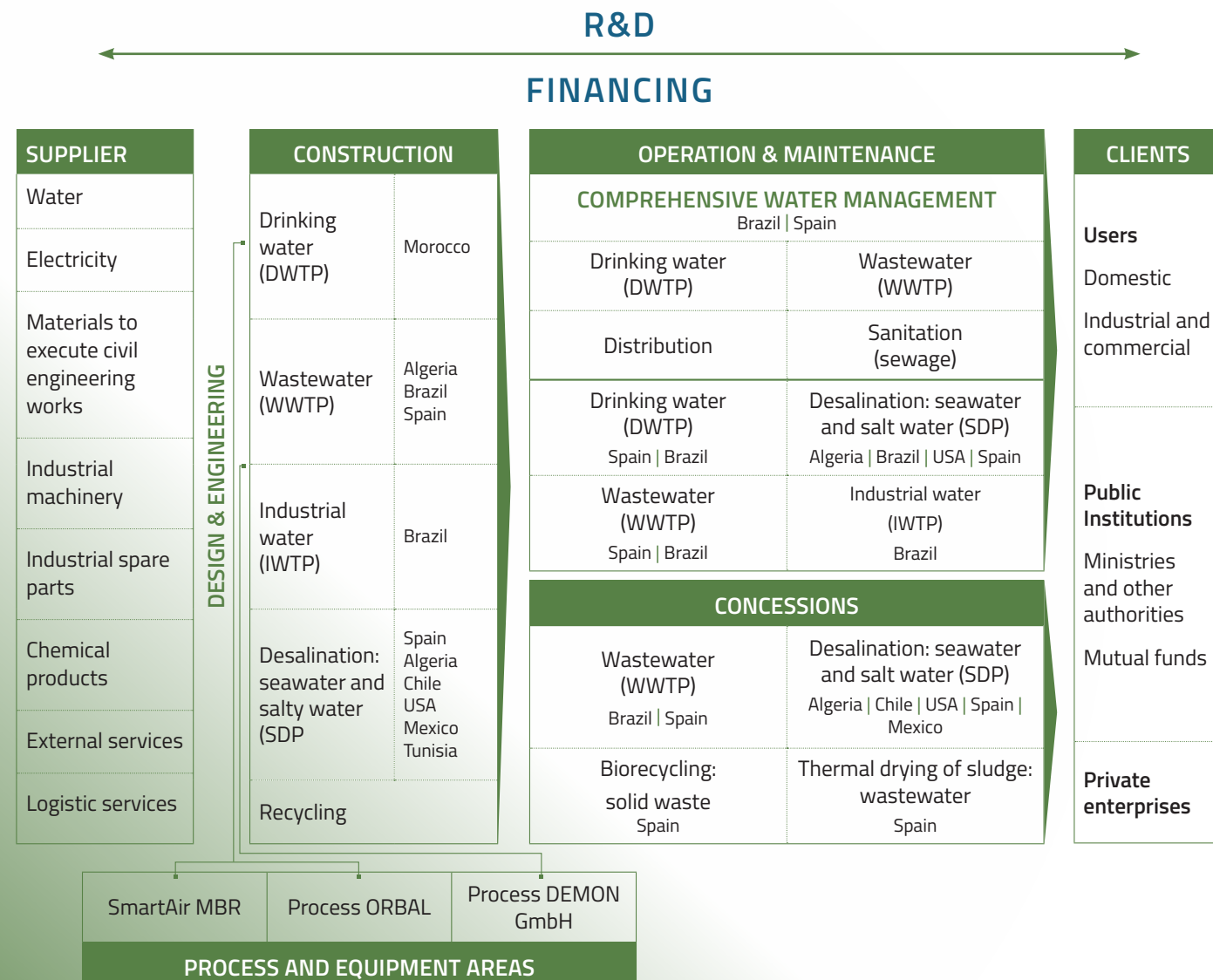
GS Inima would like to encourage knowledge in order to identify new opportunities and improve its competitiveness, whilst improving economic, social and environmental conditions for its surroundings and stakeholders.

[GS INIMA'S VALUE CHAIN] [102-46]

GS Inima strives to ensure that sustainability is integrated throughout the organization, constituting one of our key business priorities, mainly due to limited water availability, its high quality standards and how essential it is for life. These priorities, which are analyzed in this Report, generate shared value for GS Inima's business and stakeholders.

GS Inima is working on each one of these areas in order to improve performance and extend sustainability throughout the value chain.

GS Inima is aware that there is no better business strategy than a combination of entrepreneurial development and social prosperity. Consequently, the company considers it vital to use its main assets- such as technologies, knowledge of the sector and human talent- in order to generate better conditions in the markets where it is present.



[THE VALUE OF REPUTATION]

On 23 October 2019, GS Inima was awarded the "Best Private Company" Prize in Latin America and the Caribbean. Sector exports used this prize to reward GS Inima for being "the most impressive contribution in the Latin American and Caribbean area" (quoted).



From amongst over 50 nominations submitted, the Executive Board of the IDA (International Desalination Association) chose GS Inima for its commitment, quality work and innovation in the search for solutions to all water-related issues, and for the company's sustainable practices in the area.

VALUE CREATION

[PARTICIPATION IN SECTOR EVENTS]

As a company dedicated to managing all processes associated to water treatment and up to date on the latest developments, GS Inima is constantly informed of events related to the sector.

GS Inima collaborates with the following associations in order to promote talent, encourage investigation and facilitate growth in the sector, as an active member, participating in their various activities:



The company is firmly committed to generating trust and shared growth with all its stakeholders, through mutual respect, communication and cooperation. This is why we have continued with the work of previous years, participating with various collaborating associations in order to further our growth in the sector.

GS Inima belongs to the business council of ICRA (Instituto Catalán de Investigación del Agua), where it participates with an entrepreneurial view of RDI initiatives planned by this Research Institute.

GS Inima, through conferences and events, continues to show its commitment to universities and educational centers in order to offer knowledge and help people in their personal and social progress within the water sector.

[IN 2019, GS INIMA TOOK PART IN THE FOLLOWING EVENTS]



[IDA 2019 WORLD CONGRESS "CROSSROADS TO SUSTAINABILITY"]

GS Inima was one of the sponsoring companies of this congress. The International Desalination Association (IDA) awarded GS Inima the "Best Private Company" prize for Latin America and the Caribbean.



[MEDRC CUTTING-EDGE WATER TECHNOLOGIES SHOWCASE, ARRANGED BY THE MIDDLE EAST DESALINATION RESEARCH CENTER (MEDRC)]

Mr. Yong-Gyun Park and Mr. Marouan El Khattabi, as members of the GS E&C congress, participated in a speech that focused on the challenges facing the company in Oman: "Seawater Intake Challenges in Oman".



[DESALINATION COURSE-WORKSHOP IN LIMA (PERU)]

Organized by the Ministry of Housing, Construction & Sanitation of Peru, GS Inima participated along with ALADYR by giving this course-workshop, which aimed at promoting desalination projects in Peru through experience and know-how of reference sector companies.



[V LATIN AMERICAN CONFERENCE ON SANITATION – LATINOSAN 2019]

GS Inima participated in this international event, held in Costa Rica during the month of April, the aim of which is to promote universal access to quality and sustainable sanitation services, in urban and rural areas.



["INTERNATIONAL EXPERIENCES IN POTABLE REUSE- WHAT AND HOW CAN WE BEST LEARN?"]

Workshop arranged by Institut Català de Recerca de l'Aigua (ICRA).



[EXPO AGUA PERU 2019 "TOWARDS A NEW WATER CULTURE"]

Once again this year, GS Inima has participated in this Technological and Scientific Fair for Comprehensive Water Management, an international event arranged by Centro de Competencias del Agua.



[MICROPLASTICS: AN EMERGING CONCERN FOR WATER]

Technical seminar arranged by Tecnoaqua and the Microplastics Working Group of the AEAS II Commission, further to Efiagua 2019 held in Valencia on 2 October 2019.



[INTERNATIONAL CONFERENCES ON DESALINATION IN CHILE]

GS Inima participated, as a sponsor and exhibitor, in the Conferences and International Exhibition cycle, and was represented by Javier Romero Sanz and Alonso Zapata. This event gathered more than 200 executives in the desalination industry in Chile, Peru, Mexico, Colombia, Panama and other Latin American countries, in addition to government officers and regulatory authorities.



[3RD MONOGRAPHIC SEMINARS ON RESEARCH AND INDUSTRY]

Technical seminar on membrane technology, arranged by the Spanish Association of Desalination and Reuse (AEDyR).



[GLOBAL WATER SUMMIT 2019]

Considered one of the most important events in the water industry, Bernat Alcalde (Head of Engineering) attended the Global Water Summit 2019 held in March in London, participating in the round table.

VALUE CREATION

[COMMUNICATION WITH OUR STAKEHOLDERS]

[102-40] [102-42] [102-43] [102-44]

One of GS Inima's objective is to establish a fluent relationship of trust with its stakeholders, which is why the company has worked hard to identify such groups.

Through various communication channels, GS Inima keeps a fluent and constant dialogue with its employees, clients and public administrations, suppliers, the academic community and local communities. Through these channels, the concerns and expectations of its stakeholders are identified and effectively addressed. To achieve a joint effort in the achievement of common interests is essential to take on the present and future challenges that the company faces.

SUSTAINABILITY REPORT

NEWS, DATA AND INITIATIVES

These communication channels include the Sustainability Report, where information is provided on data, initiatives and the company's most relevant matters.

Aware of this, and as part of its corporate social responsibility actions, the company seeks to encourage dialogue with the ultimate purpose of contributing value to all its stakeholders, thereby supporting the sustainable development of society where it is present.

GS Inima is still committed to encouraging flexible and fluent employment relations with its employees. In order to strengthen this closeness, GS Inima circulates a six-monthly newsletter gathering all relevant employee information (news of interest, corporate novelties, projects awarded, new management tools, etc.). In order to strengthen this dialogue, the company has also created a specific communication channel for its office employees in Spain. This channel, based on an e-mail address, will allow our workers to professionally use their e-mail, chat, hold videoconference calls or share files, events, agendas, groups and contacts, as well as transmitting communications and consultations from one facility to another, in order to resolve any possible problems arising in daily

operations (for more information, see the "Committed to our Employees" Chapter).

GS Inima provides services with a high level of technical quality and launches its projects whilst striving to obtain the greatest profit for its clients, always acting with professionalism, seeking continuous improvement and targeting its results, to the extent possible, to the public interest and environmental sustainability.

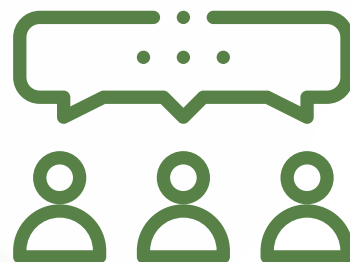
HIGH QUALITY SERVICES

DIALOGUE, CONTINUOUS IMPROVEMENT

As is the case with its clients, GS Inima is also holding a fluent dialogue with its suppliers, completing periodic assessments and offering exemplary disclosure throughout the working process.

Through the various communication channels put in place by the company, GS Inima is able to identify and effectively respond to all concerns and expectations raised by the Public Administration, Regulatory Bodies and the local community where it is present, whilst also keeping a fluent and constant dialogue.

In all the works projects where GS Inima is present, it works alongside its partners to achieve common objectives, seeking maximum efficiency and efficacy in its constructive processes, whilst encouraging each party's strengths (see "Partner Selection" for more information).



BELOW WE INDICATE THE DIALOGUE CHANNELS THAT EXIST WITH GS INIMA'S MAIN STAKEHOLDERS:

[102-40] [102-42] [102-43] [102-44]



[EMPLOYEES]

- Website
- Health & Safety Committee
- Works Council
- Mailing and newsletters
- CSR Report
- Departmental courses
- Human Resources Interlocutor
- Intranet
- Social networks



[CLIENTS]

- Website
- CSR Report
- Fairs, forums and conferences
- Legal Department
- Periodic meetings
- Social networks



[PARTNERS]

- Webpage
- CSR Report
- Fairs, forums and conferences
- Associations
- Project supervision and evaluation



[PUBLIC ADMINISTRATIONS AND REGULATORS]

- Webpage
- CSR Report
- Fairs, forums and conferences
- Associations



[LOCAL COMMUNITIES]

- Webpage
- CSR Report
- Fairs, forums and conferences
- Press releases
- Guided visits to facilities
- Social networks

VALUE CREATION

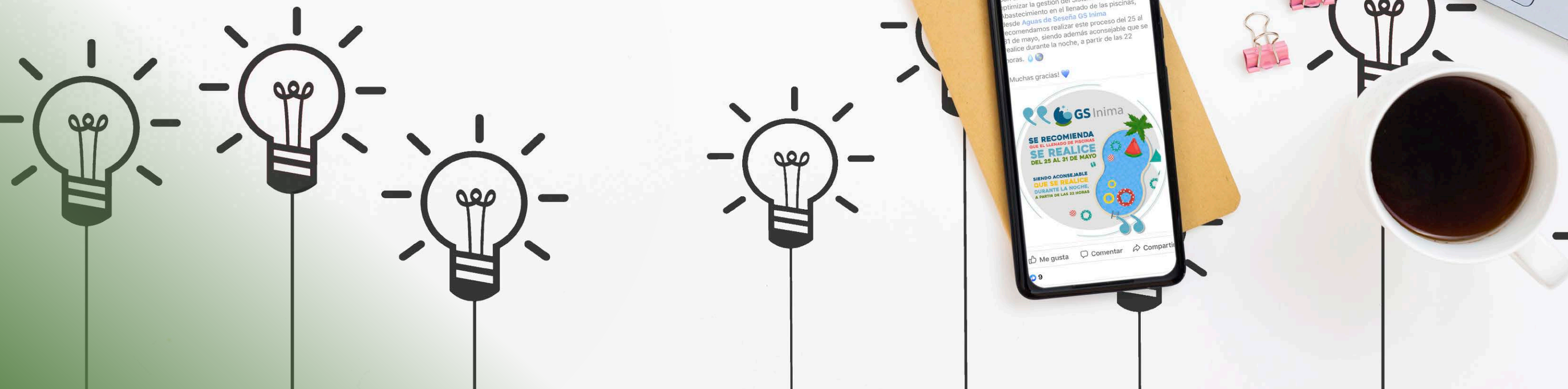
[OUR PRESENCE IN SOCIAL NETWORKS]

In order to boost its corporate brand, GS Inima has promoted its presence in social networks, such as LinkedIn, seeking to improve the company's positioning and announcing job vacancies. With this initiative, GS Inima has increased its visibility and external promotion has been optimized, although it encourages and prioritizes in-house promotion before recruiting any external staff.

In turn, the company is associated to leading websites in the water sector, such as *iAgua*.

Furthermore, Aguas de Soria is furthering its information disclosure plan through Twitter and Facebook social networks. Both accounts provide information on the service provided, surprising facts about water, maintenance and breakdown alters, and other messages that may be of interest to its users.

Contribution to United Nations Sustainable Development Goals:



SUSTAINABLE STRATEGY

GS Inima's strategic vision is to eventually become a sustainable company with an international outlook. To do this, GS Inima makes a daily effort to achieve its mission to encourage sustainable development in those societies where it operates, improving their socio-economic and cultural impact.

GS Inima continues to apply a business diversification strategy, based on consolidating the geographical areas where it is already present and paving the way to new countries. The company carries out water services management, construction, O&M and concessions; this last activity has become vitally important over the last few years. GS Inima offers a range of activities and services enabling it to carry out a global management, participating in most stages of the water cycle; as a result, this business has consolidated over the past few years.

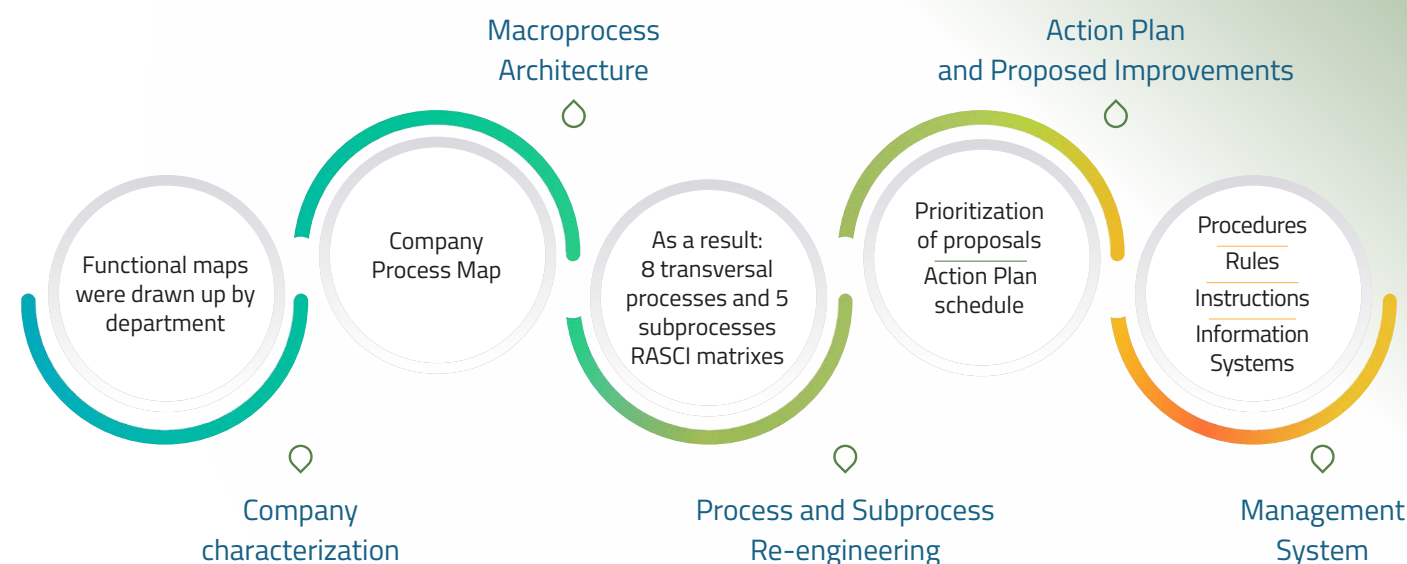
Water services management has always been, and still is, an essential requirement for social development. Water is a limited asset and provision of the service entails costs that need to be efficiently managed. Consequently, over the last few years, there has been heated international debate on efficient water management. It is indisputably relevant for sustaining life in general, and for society's development in particular.

One more year, GS Inima has continued to work on guaranteeing a sustainable future. The company's efforts have focused on generating a positive impact for society and the environment, through its ethical conduct. In this way, GS Inima makes a contribution to wellbeing, aligning its activity to its business model and corporate values.

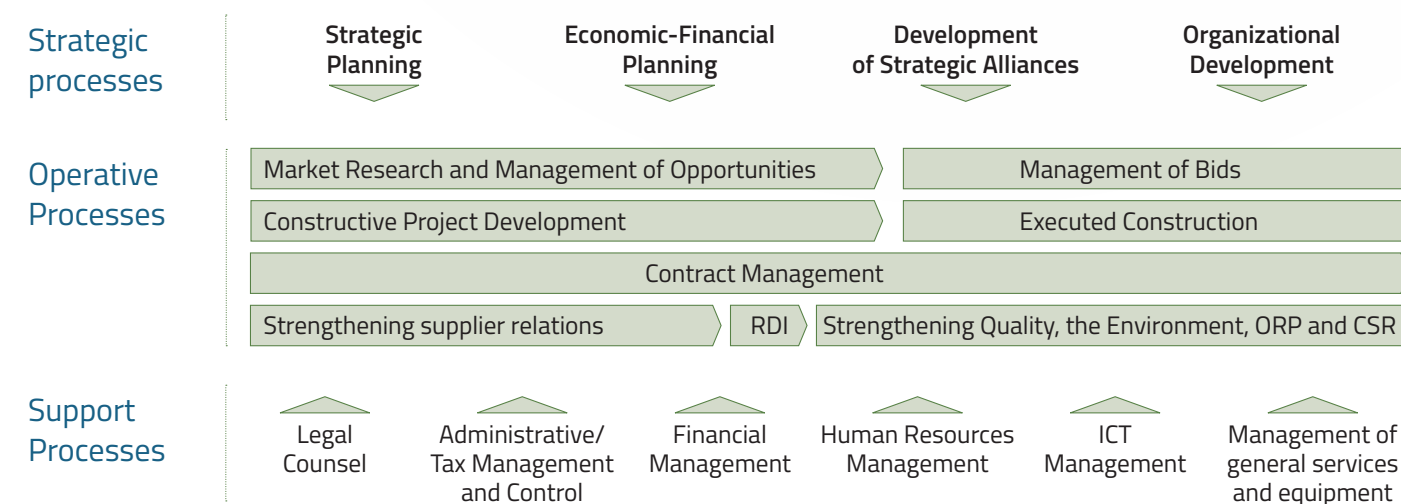
EFFICIENCY IN OPERATIONS AND RESOURCES
TO IMPROVE, OPTIMIZE AND RATIONALIZE

A constant improvement in processes and services is the cornerstone of GS Inima's business strategy. To do this, the company has an "Operative Efficiency Improvement Plan" in place to cross-examine all departmental processes, in order to improve, optimize and rationalize the company's resources.

In 2017, GS Inima completed a vertical analysis on its functional departments, and another cross-analysis to complete process re-engineering.



From this analysis, a strategic, operative or support process map was obtained in order to optimize the company's management:



During 2019 the company has worked on formulating a new management system, which it expects to implement in Spain in 2020.

In turn, GS Inima also has a "Committee of Lessons Learnt", which convenes twice a year to analyze the company's situation. All intended action plans will be published in GS Inima's newsletter. Furthermore, the company's Management Committee discusses the new organizational model, evolution in data tools and systems, employee development and communication, process implantation and working methodologies/procedures to guarantee compliance.

In order to boost this optimization process, the company has a multidisciplinary team, adapted to various project typologies, qualified, effective and committed, able to provide ad hoc solutions to our clients, which ensures that the targets set are achieved. GS Inima is able to adapt in any country where it is operating and under any type of project. It is a company involved in continuous expansion and growth, as directly reflected by its financial figures of the last few years.



SUSTAINABLE STRATEGY

[STRATEGIC LINES AND COMMITMENTS]

GS Inima's strategy continues along the same lines, with respect to previous years. It is based on geographical diversity, activities and consolidation in those countries where it has the necessary operating structure to launch its investment plan. The company is moving ahead with its expansion process through tenders awarding long-term contracts.

Last year, GS Inima Brazil inaugurated a new portfolio segment, GS Inima Industrial, specializing in the treatment of industrial effluents and wastewater production. GS Inima Industrial has the largest wastewater production plant in South America, Aquapolo, the result of a venture between GS Inima Industrial and SABESP (Compañía de Saneamiento Básico del Estado de São Paulo). In 2019, the purchase process was finalized. In the future, the company intends to get to know the industrial water market in depth and consolidate its assets.

In geographical diversification terms, the company has still consolidated its presence in markets such as Brazil- representing 47% of its total turnover- or Spain and North Africa, where it continues to generate a huge amount of business. As a result, it expects to enter new markets with a special focus on its growth in the Middle East.

In short, GS Inima's Business Plan is based on procuring new concession contracts without waiving other types of contracts, in markets where the company has a consolidated presence, and expanding its activity in other potential markets. In order to meet these objectives, the company will endow itself with efficient resources and processes and continue to improve its internal communication and executive leadership.

To execute its Business Plan, the company is backed up by its successful project references in the many markets where it operates, where GS Inima has built a solid reputation with each project. The company's know-how after decades operating in the sector is a highly valued letter of introduction amongst its current and potential clients.

During 2019, of interest was the award of water treatment services in the city of Ouro Prieto (Brazil), for a 30-year term. One of the challenges raised by this new tender is related to the hydrometrics in all of the city's homes, which should reach 90%. This new concession, in a city that is also a World Heritage Site, represents a step forward in GS Inima's positioning on the comprehensive water cycle market. With a view to the future, the company has continued its strategic goal to continue moving forward in the concessions sector and the provision of water services, promoting investment in strategic sectors such as desalination.

[GS INIMA HELPS ACHIEVE THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS]

In September 2015, the UN General Assembly passed its 2030 Agenda for Sustainable Development, consisting of its 17 Sustainable Development Goals (SDGs) and more than 169 targets to be achieved during the next 15 years. SDGs encourage all countries to adopt measures in order to promote prosperity whilst also protecting the planet. These goals establish that any initiatives to put an end to poverty should involve strategies that encourage economic growth and cover a series of social needs, to include education, health, social protection and job opportunities, whilst also fighting against climate change and encouraging protection of the environment. Although SDGs are not legally binding, governments are expected to adopt them as their own and to establish national frameworks for achievement of the 17 goals.

Likewise, the company's social action plans are mainly targeted at generating awareness on the importance of water and the need to protect the environment.

SDGs reinforce GS Inima's aim to promote a business model that is responsible, committed to sustainable development and oriented at generating value for its clients, employees, suppliers and societies where the company carries out its activity.

The company is aware that it is essential to the economic development of the local community, to preserve the environment and to uphold everyone's right to water. This is why it has joined the challenge to achieve an efficient use of hydric resources and to develop infrastructures guaranteeing universal access to water.

Specifically, Goal 6 focuses on "Guaranteeing access and sustainable management of water, and sanitation for all", and seeks to find a global remedy for the shortage of hydric resources, poor quality water and inadequate sanitation, which negatively affect food safety, alternative means of survival and education opportunities for poor families. GS Inima is committed to achieving Goal 6 and is launching actions to move consequently forward.

CONTRIBUTION TO THE SCOPE OF SDGS THROUGH SOCIAL ACTION AND BUSINESS

Forecasts and studies drawn up by leading international organizations suggest that the problem of water shortage, far from getting better, will continue to worsen in the medium and long term. GS Inima, through its business activity and social action programs, helps achieve the United Nations Sustainable Development Goals. Consequently, GS Inima has water treatment capacity of 1,000,000 m³/day and desalination capacity of 700,000 m³/day, servicing nearly 8 million people.

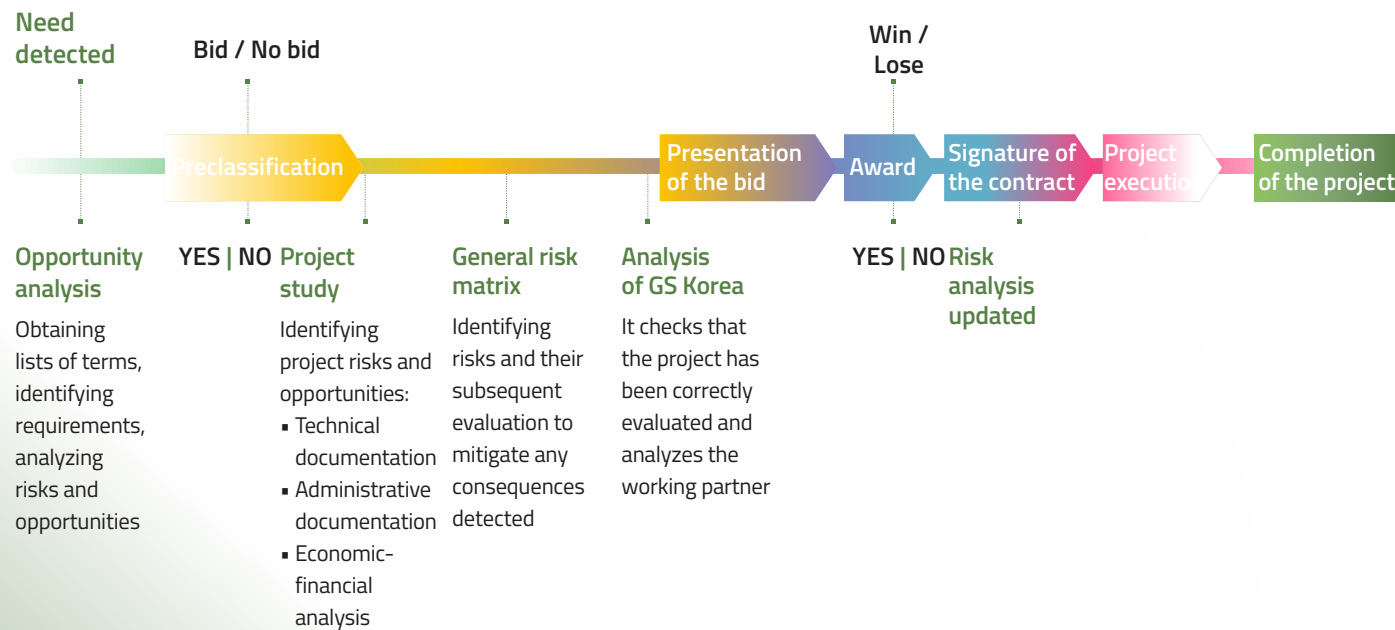


RISK MANAGEMENT

GS Inima's risk management model has become a tool to locate, evaluate and control inherent risks faced by any company, which may affect its strategy and activity. In this context, international diversification and business growth are the key to reinforce the business model, to manage opportunities and reduce risks.

As a consequence of the growth experienced by the company in the last few years, it is exposed to more risks. To minimize and mitigate such risks, GS Inima has evaluated, updated and adapted its risk control and management model, by starting up a risk management system that distinguishes between prevention and eradication.

RISKS
TO LOCATE AND EVALUATE
PREVENT AND MITIGATE



During the project tendering process, the company completes an analysis of the potential risks impacting the business. This analysis is based on a matrix, identifying and quantifying the most relevant risks in order to provision any expenses that may be incurred during the project's execution.

Different types of identified risks and how to act in a potential threat, are described in the specific procedure used in tendering processes. As a result, tax risks are particularly supervised in order to ensure that any identified expenditure is included in estimated execution costs. In turn, a return analysis is completed based on process maps, to guarantee a feasible bid.

GS Inima has a procedure in place that requires an initial meeting between the departments involved in the project's execution, seeking to plan and reach an agreement on any details. This alignment of the parties encourages the involvement and awareness of the areas involved in a project's tendering process.

In risk identification and evaluation processes, both quantitative and qualitative criteria are taken into account, based on risk factors and GS Inima's activities.

BY TYPOLOGY, THESE RISKS ARE GROUPED INTO THE FOLLOWING CATEGORIES:



[COUNTRY]

The main risks are analyzed that may arise in the various countries of operation, examining any political and commercial risks affecting foreign transactions. This appraisal is based on a study of the political and economic situation of each country where a bid is made, to include its surroundings.



[TAX]

Initially, each country's taxes are identified according to the legal structure adopted by the company, in order to subsequently verify how they will affect its activity



[TECHNICAL]

Risks related to compliance with requirements established in the List of Technical Requirements, which are usually notified to the client in the Tender Project



[FINANCIAL]

Risks with a direct impact on the company's financial stability, such as market risks, credit risks, liquidity risks or interest rate risks in cash flows



[ENVIRONMENTAL AND HEALTH & SAFETY]

Risks related to existing environmental permits, archaeological sites, pollution, quality, health and safety. Specific environmental and/or health & safety requirements in the country where the company or the client under the contract will operate



[LEGAL]

The main legal risks are analyzed, derived from the execution of works and provision of services, such as regulatory compliance risks (sectoral and national regulations) and contractual compliance risks.

As one of the highlights of its risk management in 2019, GS Inima has developed a risk management system based on specialized software, shared by all countries. It has already been implemented in Brazil, for which a corporate risks manager has been appointed.

The next milestone will be to implement the system in Spain and in all other countries where the company is present.

PARTNER SELECTION

Selecting the right partner to jointly submit a bid is critical for GS Inima, given that most of its projects involve a venture. Consequently, its choice of collaborator is preceded by identifying and evaluating its experience in the sector or participation in other projects, i.e. it is ultimately based on its credentials.

This evaluation involves analyzing all financial and non-financial information, and technical issues related to executed projects, using publicly available resources such as news or sustainability reports. Furthermore, GS Inima requests information on any ongoing projects in which the partner is involved, to avoid an excessive workload and optimize the project's execution.

GS Inima makes sure that its partner selection opens the door to new markets, which is why it encourages mutual synergies. Consequently, it is particularly important for a potential

collaborator to provide strengths in technical and financial terms, to offer prior experience with the client or to be located close to the intended project.

In all projects where GS Inima works with collaborators, there are fluent and transparent relations to forge a relationship of mutual trust. The main aim is to work in the same direction towards achieving a common objective: to complete all projects and services by the deadlines agreed and with the technical specifications required.

Contribution to United Nations Sustainable Development Goals



GS INIMA'S STRENGTHS IN ITS PARTNER EVALUATION



[PRIOR CLIENT EXPERIENCE]



[FINANCIAL ASPECTS]



[TECHNICAL ASPECTS]



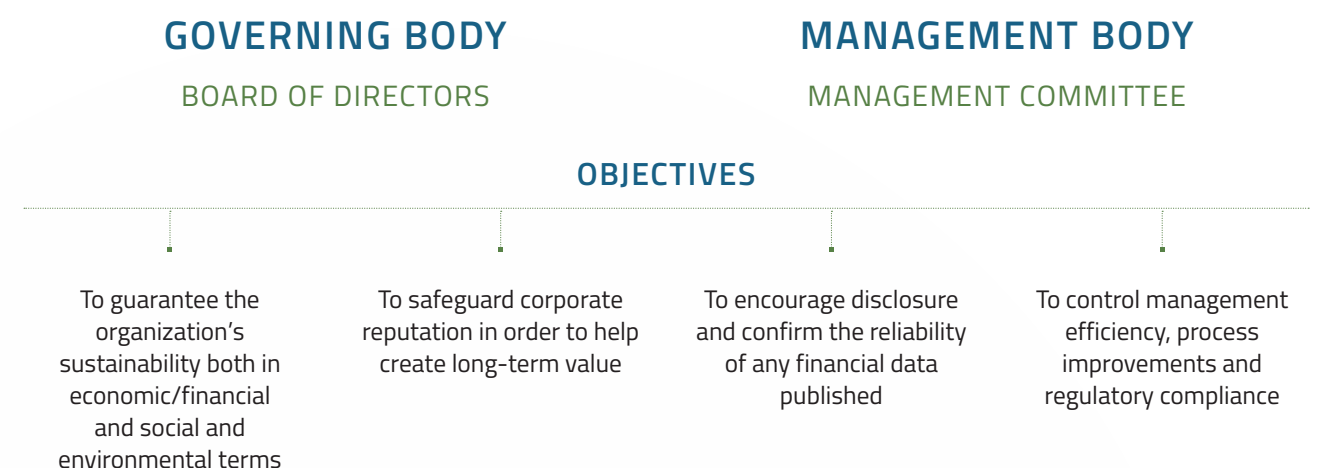
[GEOGRAPHICAL LOCATION]



CORPORATE GOVERNANCE

GS Inima is aware that good corporate governance is a strategic instrument to improve the organization's efficiency, to achieve competitive advantages and to guarantee long-term sustainability. This is why the company has continued to work on its corporate governance practices in order to reinforce the quality of all decision-making processes.

GS Inima structures its representation bodies by functions, differentiating the Board of Directors (as the governing body) from the Management Committee (its management body).



COMPOSITION OF THE BOARD OF DIRECTORS

In addition to the Secretary, the Board consists of six Directors who offer diverse and plural membership and international representation. They are all designated on proposal from GS Engineering & Construction Corporation (GS Engineering & Construction Corp.).

[MR. BYEONG YONG LIM]
President

In addition to holding office as Chairman of GS Inima's Board of Directors, since 12 June 2013 he is the President (Standing Director) & CEO of GS Engineering & Construction Corp. After holding the post of President and CFO, Mr. Byeong Yong Lim, a graduate in law from the National University of Seoul, with a Masters in Tax Law and Chartered Accountancy, began his professional career in the International Tax Division of Samil PricewaterhouseCoopers. In 1991 he joined LG as part of the Presidency Cabinet, as Vice Chairman of Corporate Counsel, and in 1997 he joined LG Telecom, where he was entrusted with various responsibilities in marketing and strategy matters until 2002. In 2002 he was appointed representative executive of SOLiD, Inc. In 2004 he joined GS Holdings Corp. to work as the First Executive Vice Chairman of the General Council and, subsequently, of M&A and subsidiary management. He was appointed Chairman of the Company in 2011.

[MR. YOON HONG HUH]
Director

Mr. Yoon Hong Huh's working career began at GS Engineering & Construction Corp. (formerly LG) in 2002. Mr. Yoon Hong Huh has extended engineering knowledge and in 2008 was awarded an MBA from the University of Washington.

[MR. KIM TAEJIN]
Director

Kim Taejin has furthered his career in GS E&C for more than 15 years. He joined GS Engineering & Construction Corp. in 2002, holding various senior positions: General Manager of Tax Accounting at GS E&C (2004-2006), General Manager of Finance at GS E&C (2006-2010), Managing Director of Financial Supporting, GS E&C, and Managing Director of Financial Group, GS E&C. Currently, he is the Executive Vice President & CFO of GS E&C.

[MS. MARTA VERDE BLÁZQUEZ]
(CEO)

She has a long track record as a Graduate in Economics and Business Studies (Finance), specializing in auditing, as well as the structured finance of concession projects in the sector. She holds a Masters in General Management from IESE. Of interest is the fact that she has mainly worked in projects in Spain, U.S.A., Brazil, Mexico and Algeria.

[MS. AMELIA ROBLES MARTÍN-LA BORDA]
Non-Director Secretary of the Board

[MR. YOUNG JOO KANG]
Vice Chairman

Currently Business Manager of GS Inima Environment S.A. and Vice Chairman of the Board of Directors. A Graduate in Business Administration from the University of Korea, he also holds an MBA from the Foster School of Business, University of Washington. Since he joined the firm in 1997, Young Joo Kang has worked in various areas such as international finance, investor relations, financial accounting and EPC project management. As Business Manager he took part in the STAR Project in Turkey as well as Sub-stations and the 330kV Transmission Line Project.

Since it was created in 2012, the Board of Directors has convened on various occasions. Amongst the most relevant matters discussed, of interest is its supervision of the company.

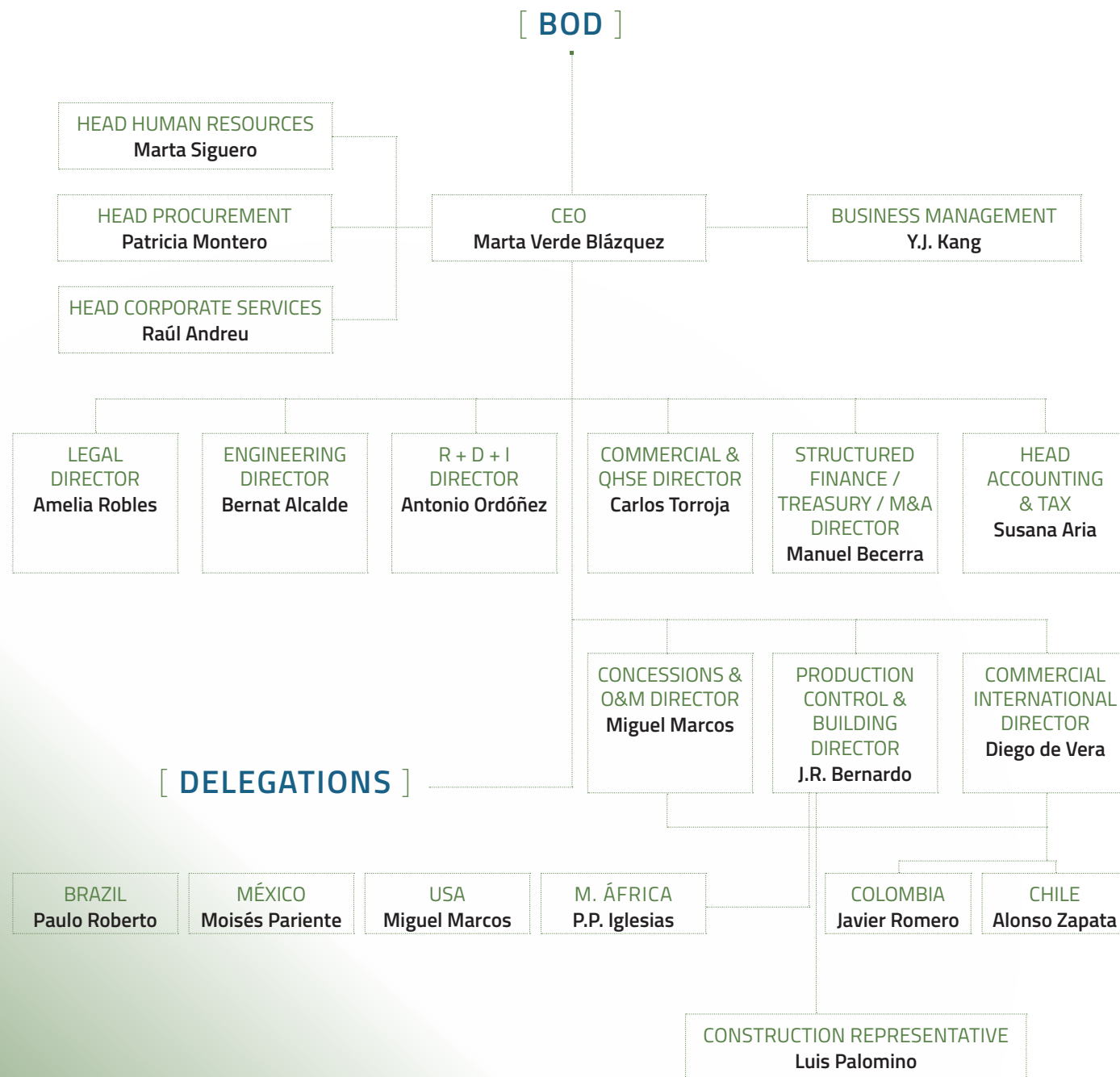
CORPORATE GOVERNANCE

[OBJECTIVES FOR 2019]

2019 OBJECTIVES	STATUS
Creation of an Auditing Committee	■

■ Achieved ■ Ongoing

[COMPANY FLOWCHART]



[ETHICS AND DISCLOSURE]

GS Inima is aware that both ethics and integrity in its conduct are the key to its long-term sustainability. Consequently, for the company it is essential to establish conduct guidelines in its stakeholder relations, as part of its committed disclosure and business ethics.

In order to ensure that all GS Inima professionals have a clear view of what is expected from them, all new employees joining the parent company must complete a questionnaire in order to become familiar with the Code of Ethics. In this way, employees are expected to get involved in one of GS Inima's targets: to become a company respected by society, which is ethical and solvent and offers guarantees to all stakeholders, clients and employees, beyond a mere maximization of profit.

GS Inima's Code of Ethics defines the ethical values and principles that all employees should follow, in order to uphold the values that GS Inima shares with its stakeholders. In turn, it intends to consolidate a corporate culture based on integrity, where all collaborators follow the organization's key values for growth: innovation, commitment and progress.

"Involvement of the company's employees is essential to strengthen GS Inima's commitment to ethical conduct"

The Code contains a series of conduct principles, commercial practices and management of environmental risks and responsibilities towards the community where the company is present, to include its respect for Human Rights and public freedoms gathered in the United Nations Universal Declaration of Human Rights.

All reported breaches of the Code of Ethics may be sent through the Ethical Channel, which is publicly accessed and guarantees the confidentiality of any information. GS Inima also guarantees that all incidents received through these channels will be investigated and handled. In addition to this channel, the company also has a consultation channel.

In turn, it constitutes a guide on how to proceed in a conflict of interest, corruption and bribery, as well as how to protect business assets and data security, and also allows GS Inima to prevent, detect and eradicate irregular or illegal conduct, irrespective of nature. The company has approved its Compliance Rule, as evidence of its commitment to fight against money laundering, establishing an obligation to identify the source of each transaction to avoid the use of tax havens.

Access to the Ethical Channel:
http://www.inima.es/es/formulario_denuncia

Access to the consultation form:
http://www.inima.es/es/formulario_consultas

In 2019 no complaint was received through the Ethical Channel (available worldwide).

The Code is applicable to all of the company's employees, irrespective of professional category, in all those countries where GS Inima operates, and is translated into French, English and Brazilian Portuguese. The company is in the midst of updating the Code, in order to establish new requirements in corruption and terrorism issues.



In 2019, GS Inima made a contribution to foundations for a total of 18,000 Euros.

PROMOTING INNOVATION

2019 Objectives	STATUS
Testing related to development of the OSCAR project on a pre-industrial scale, in conjunction with a technological company	■
Participation in various fairs and conferences, such as: SIGA (Madrid), AEAS (Valencia) and IDA World Congress (Dubai, UAE)	■
To publish the results of a comparative study for type U/Z layout in parallel systems in desalination plants	■
To arrange 3 in-house courses to meet the needs of GS Inima's Engineering Management	■
To participate in a European project for the treatment of brine, in order to achieve zero liquid discharge (ZLD) by using various high energy efficiency technologies	■

* Objective postponed ■ Achieved ■ Ongoing

Its ability to adapt to constantly changing surrounding conditions and a continuous improvement in performance, are some of GS Inima's cornerstones. This is why it is essential for GS Inima to remain committed to RDI in order to ensure continuous, efficient and sustainable improvement in its products and services, whilst in turn helping environmental performance.

All projects in this field seek to improve 5 specific issues to boost the business: energy efficiency, new technologies, the impact of climate change, search for synergies with GS & EC, and in-house technical training and advice.

By starting up initiatives to identify and develop opportunities for innovation, GS Inima encourages the participation and involvement of all of the company's professionals.

The RDI department is essential for the organization's business development, given that through better performance and energy efficiency in products and processes the resources used are optimized and the company's competitiveness increased.

[MAIN MILESTONES IN 2019]



GS Inima's participation in water sector conferences.



Arrangement of 2 in-house courses:
 Problems with components, equipment and systems in desalination plants. Part I.
 Problems with components, equipment and systems in desalination plants. Part II.



Internal publication of two newsletters:
 Chemical dosage.
 Efficient dosing by regulation mode.
 Partial demineralization with a subsequent mix.



Publication of article on "Study of U-Z layout in reverse osmosis membrane racks and sand filter fronts in seawater desalination plants".
TECNOAGUA Magazine



GS Inima was awarded the "Best Private Company" prize in Latin America and the Caribbean by the International Desalination Association (IDA)



[RESPONSE TO THE IMPACT OF CLIMATE CHANGE]

Work continues on finding innovating solutions to be able to adapt to the possible effects of climate change, with a potential impact on ordinary operation of the company's facilities.

[ENERGY EFFICIENCY]

Continued commitment to innovating development in order to reduce energy consumption in desalination facilities. Although the desalination plants built by the company are amongst the world's most energy-efficient, a high percentage of their operating costs represents energy consumed.

[NEW ENVIRONMENTALLY-FRIENDLY TECHNOLOGIES]

The company continues to promote all business areas associated to the environment, working to reduce and eliminate sludge and waste, comprehensive water cycle management or renewable sources of energy, with awareness of any differentiating potential and knowledge.

[IN-HOUSE TECHNICAL TRAINING AND ADVICE]

Employees' professional development is the key to success and continuous improvement. GS Inima ranges in-house training and advice for the company's professionals, through courses and technical seminars.

[SEARCH FOR SYNERGIES WITH GS&EC]

High-value projects and initiatives are carried out for all of the company's stakeholders, taking advantage of the leadership offered by GS Inima's parent company, as a cutting-edge company in South Korea and Asia in innovation matters.

PROMOTING

INNOVATION

[NOTABLE RDI PROJECTS]

GS Inima's effort is directed at satisfying its clients' needs. To do this, first-hand knowledge of its clients' difficulties is essential in order to work on the evolution of new technologies to provide solutions.

The Research, Development & Innovation (RDI) Policy gathers GS Inima's innovation commitments, to include:

[RDI POLICY]

- To improve process productivity and efficiency, to reduce operating costs and increase GS INIMA's competitive advantages
- To incorporate RDI as a basic principle, establishing an RDI Management System based on UNE 166002.
- To establish and fulfill general RDI objectives
- To implement continuous improvement in the defined RDI process
- To get GS INIMA staff involved and committed to the management, application and continuous improvement of the RDI Management System
- To motivate the staff, guaranteeing adequate workers' training, thereby generating qualified staff
- To ensure that all RDI projects and activities carried out by GS INIMA meet the needs and expectations of all our stakeholders

RDI MANAGEMENT SYSTEM
UNE 166022:2014
CERTIFICATION

In 2019, the RDI management system renewed its certification under UNE 166002:2014 for Water Engineering & Technology, used in water supply, wastewater technology and desalination to generate drinking water, by a validated institution. The organization's RDI Management System Manual implements what is established in the rule and provides general guidelines to take into account when carrying out innovation activities.

GS Inima's RDI actions are described in the specialized annual report that the company publishes each year, available to all stakeholders on the corporate website (http://www.inima.es/memoria_i_d_i).

All interested parties may obtain information on the organization's strategy and policy as regards innovation, or on all registered patents and recognitions received over the years.

GS Inima is concerned about the growing problem of water shortage, derived from droughts caused by climatic change, the pollution of scarce freshwater resources available and growing demand. This is why it seeks to be at the forefront of technological progress, developing and implementing new techniques in order to reduce the use of energy and economic resources.

2019 INVESTMENT IN RDI

573,482 €

Along these lines, the company has invested more than 2 million Euros in RDI over the last five years. In 2019, the budget was 573,482 € and over 2020 this figure will significantly amount to 590,379 €, as evidence of the company's commitment in this field.

Furthermore, GS Inima is collaborating in projects derived from tenders called by the Center for Technological Industrial Development, and the Spanish Ministry for an Ecological Transition and Demographic Challenge.



RDI PROJECTS FY19

[DC-SOIAS]

Capacitive deionization

Capacitive deionization to treat brine generated by salt water reverse osmosis plants. The project was completed in 2019.

[OSCAR]

Humid oxidation

The main objective of OSCAR Technology is to carry out "Humid Oxidation" (H.O.). This process involves the oxidation of organic components contained in aqueous effluents, in conditions allowing them to remain liquid as a whole and to remove WWTP sludge production, generating H₂O and CO₂ only. During 2019, testing was conducted at the pilot plant located in the Segovia WWTP.

[FOWE]

Brine-generated energy

Recovery of brine-generated energy from a conventional osmosis plant and the production of drinking water, through direct osmosis. Pilot plant located in Alicante II SDP, owned by Canales del Taibilla.

[PRONOX]

Bioabsorption of organic matter

The PRONOX process, a variant of the HRAS (High Rate Activated Sludge) Process, seeks to generate the maximum organic load for anaerobic digestion, with a double objective: to increase the biogas produced and to reduce the organic download to the subsequent active sludge unit, which consumes a high amount of electricity. Project financed by CDTI. In early 2019, a pilot plant was installed in Montornés WWTP, obtaining excellent results since then.

PROMOTING

INNOVATION

In order to reinforce the organization's *know-how*, over the past year the RDI area has focused its effort on teaching in-house courses and publishing Technical Newsletters.



[COLLABORATION]

Year after year, GS Inima participates as a teacher in the "Desalination Plant Operations" module under the "Specialist Course in Water Desalination and Recycling", arranged by the University of Alicante. It has already reached its VI edition.

Furthermore, in 2019 the company has participated in the following Conferences and Seminars:

- The 2019 World Congress, "Crossroads to Sustainability", organized by the International Desalination Association (IDA).
- Desalination Workshop arranged by the Ministry of Housing, Construction and Sanitation of Peru, held in Lima, where GS INIMA gave the following three speeches:
 - 1 | Membranes (design)
 - 2 | Instrumentation and operation of facilities
 - 3 | Energy recovery
- Workshop: "International experiences in potable reuse - what and how can we best learn?", arranged by el Institut Català de Recerca de l'Aigua (ICRA).
- Microplastics: an emerging concern for water. Technical seminar organized by Tecnoaqua and the Microplastics Work Group of the II Commission of AEAS, as part of Efiagua 2019, held in Valencia on 2 October 2019.
- 3rd Monographic Seminars on Research and Industry. Technical seminar on membrane technology, organized by AEDyR.
- "MEDRC Cutting-Edge Water Technologies Showcase 2-4 December 2019", organized by the Middle East Desalination Research Center, MEDRC.

2020 OBJECTIVES

Attendance at water sector conferences and seminars, such as the "Global Water Summit 2020", "ALADYR Conference Peru 2020", "AEDYR Conference, October 2020" and the "IWA World Water Congress & Exhibition, October 2020, in Copenhagen, Denmark"

Employee courses, such as "Course on How to Design Collection Points", "Course on How to Operate Desalination Plant" and "Electricity and Control Course for Water Treatment Plants"

Speeches and publications

Testing related to development of the OSCAR project at a pre-industrial scale, in conjunction with a technological company

Participation in a European project for the treatment of brine, in order to achieve zero liquid discharge (ZLD), using various high energy efficiency technologies

Contribution to United Nations Sustainable Development Goals



[BEST INNOVATING IDEA PRIZE (2019)]

Once again this year, GS Inima has arranged a competition for the Best Innovating Idea (VI edition). The aim of this initiative is to recognize and reward innovating ideas contributed by all of the company's employees, with potential for their subsequent development.

With this prize, GS Inima is trying to get all its professionals involved and committed to the company's RDI Policy, to generate and circulate new ideas allowing problems to be solved in operation matters, and to encourage initiatives

and practices that help increase productivity and efficiency, disseminating any initiatives and good practices on a day-to-day basis.

In 2019, the first prize to the best innovating idea was granted to the proposal entitled "REMOVAL OF SEAWEED BY BIOLOGICAL MEANS (DAPCLEAN)". Furthermore, two secondary prizes were awarded to the ideas entitled "GS INIMA EDUCA – ConCIENCI@" and "Waste Plant".

COMMITTED

TO OUR EMPLOYEES

[OUR HUMAN CAPITAL]

2019 OBJECTIVES	STATUS
Creation of a "Talent Map" for better HR management	■
Development of the new Training Plan	■
Improvement in the performance appraisal procedure, to help find any job-performance gaps, and a career plan	■

■ Achieved ■ Ongoing

[MAIN MILESTONES IN 2019]



Formalization of the Annual Training Plan



Publication of the Equality Plan in Spain



Creation of a "Talent Map" to improve HR management

GS Inima's professional team is characterized by its high capacity and commitment, when developing required innovating products and services. This evidences the relevance granted by the organization to human capital for some years now. The company's employees are the center of its activity and client added value is the purpose achieved with their enthusiasm and daily effort.

GS Inima considers that the human resources area is vital to ensure its business development. This is why it works to guarantee the best working conditions, in order to encourage employee motivation and involvement. Proof of this is the company's labor diversity and help to reach a balance between work and family life.

Once again this year, international service development has resulted in a relocation of several professionals to Chile, Tunisia, Morocco and Algeria. Continuity is sought in the employment relationship of any workers completing a prior assignment in another relevant international project for their professional career. This is why surveys are completed to guarantee an optimum adjustment to each employee's needs. In turn, the company strives to retain those professionals who have ended their initial project, by encouraging national mobility.

[OUR EMPLOYEE BREAKDOWN]

At 31 December 2019, GS Inima's staff had 1,627 professionals, of whom 28% are women. In the Spanish water sector, the presence of women was approximately 18% of all

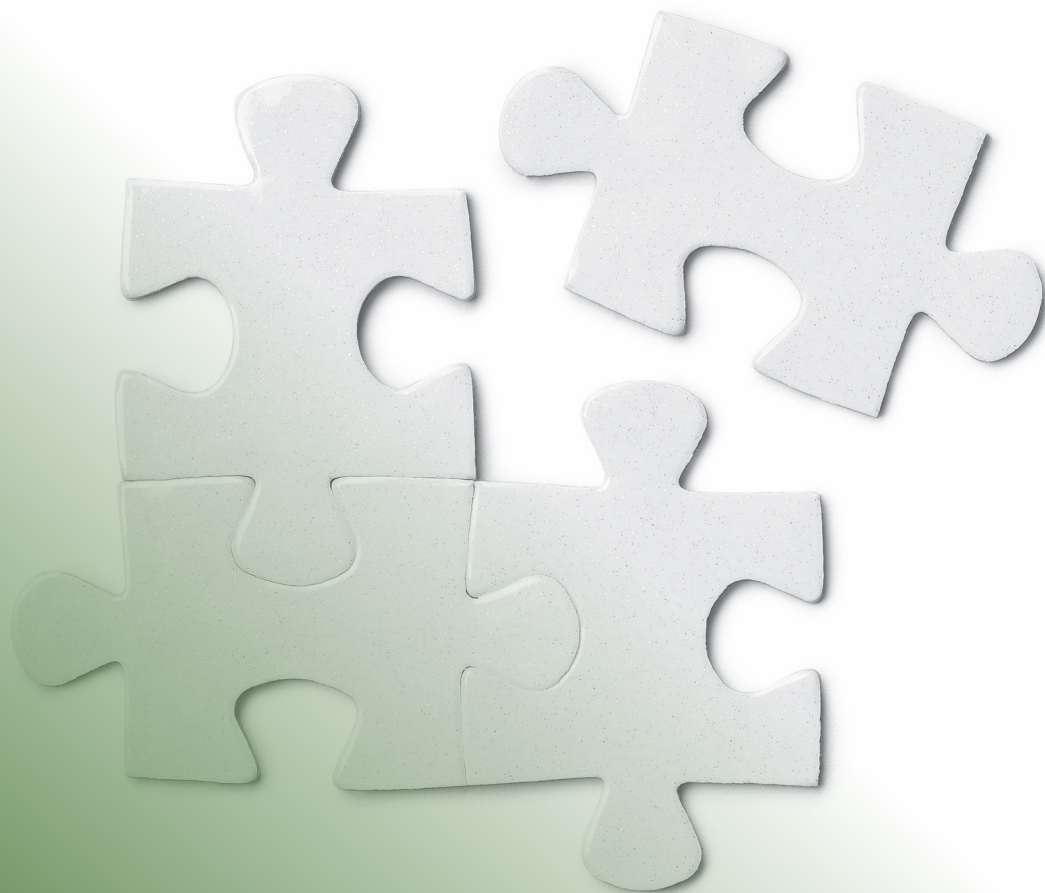
workers in early 2019. The company has well exceeded this ratio and is continuously working to improve it.



³ Eurostat. 2018.

Excellence and top quality in GS Inima's services are guaranteed thanks to the organization's professionals. This is why it is essential to encourage each technician's professional career through multidisciplinary and continuous training, getting them involved in internal policies and objectives.

The company's employees are the ones behind GS Inima's success. They should act as exemplary ambassadors of its values.



COMMITTED

TO OUR EMPLOYEES

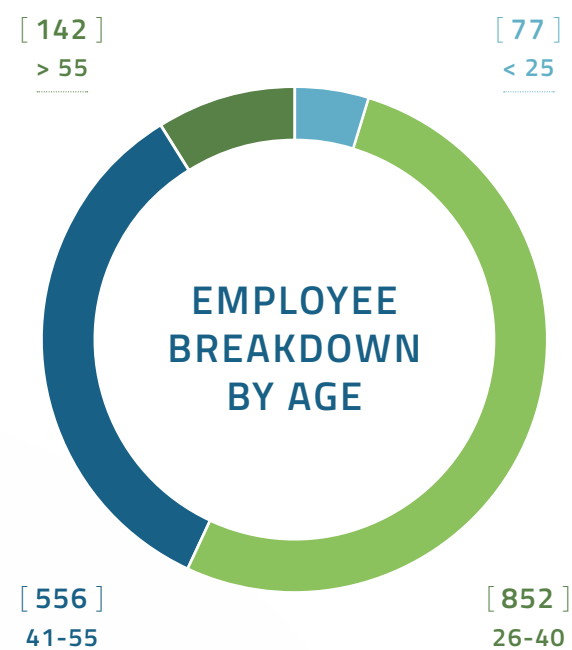
Brazil is the country with the highest number of professionals, closely followed by Spain. This is reflected in the breakdown below:

Employee breakdown by country	2017	2018	2019
Spain	396	440	430
Brazil	428	559	936
Algeria	97	82	99
Mexico	39	44	59
Chile	5	58	83
United States	11	11	11
Tunisia	11	12	-
Morocco	4	5	9
Total	991	1,211	1,627

The number of employees, broken down by age, is shown below. Most of the company's workers are between 26 and 40 years old.

Employee breakdown by age	2019
Under 25	77
Between 25 and 40	852
Between 41 and 55	556
Over 55	142
Total	1,627

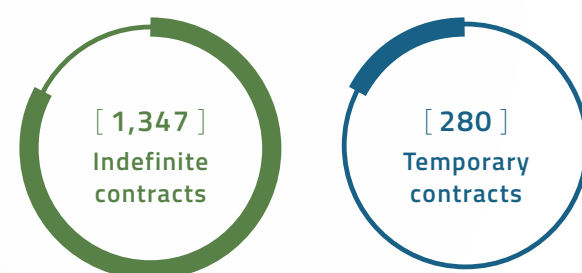
Employee breakdown by professional category	2019
Executives and university graduates	50
Employees holding a diploma	261
Unqualified technicians	307
Administrative assistants	165
Other staff/operators	844
Total	1,627



[RETENTION OF TALENT]

GS Inima's commitment to long-term employment is manifested by the high percentage of employees hired for an indefinite term, representing 83% of the entire staff.

GS Inima encourages employee commitment and stability by prioritizing the hiring of professionals in its area of operations, whilst in turn helping local communities develop.



Contract breakdown by type, at year-end 2019	Indefinite contract	Temporary contract	Full-time	Part-time
No. of contracts	1,347	280	1,609	18
Total	1,627	1,627	1,627	1,627

Annual average of contracts by type in 2019	Indefinite contract	Temporary contract	Full-time*	Part-time*
No. of contracts	1,363	235	1,578	19
Total	1,598	1,598	1,598	1,598

Annual average of contracts by gender in 2019	Indefinite contract	Temporary contract	Full-time	Part-time
Women	304	13	313	4
Men	1,059	222	1,278	3
Total	1,364	234	1,590	7

Annual average of contracts by age in 2019	Indefinite contract	Temporary contract	Full-time	Part-time
Under 25	64	20	83	1
Between 26 and 40	712	109	784	15
Between 41 and 55	467	84	550	2
Over 55	128	16	153	1
Total	1,370	228	1,579	19

Annual average of contracts by professional category in 2019	Indefinite contract	Temporary contract	Full-time	Part-time
Executives and university graduates	43	8	47	1
Employees holding a diploma	266	12	260	0
Unqualified technicians	259	16	295	0
Administrative assistants	146	3	145	4
Other staff / operators	653	193	839	7
Total	1,366	232	1,585	12

[Number of dismissals]

In turn, employee turnover depends on construction, exploitation or concession projects which, based on their level of progress, require the hiring or subrogation of existing staff.

By gender	2019	By age	2019	By professional category	2019
Men	185	Under 25	23	Executives and university graduates	3
Women	28	Between 26 and 40	104	Employees holding a diploma	29
Total	213	Between 41 and 55	67	Unqualified technicians	22
		Over 55	19	Administrative assistants	15
		Total	213	Other staff / operators	144
				Total	213

COMMITTED

TO OUR EMPLOYEES

[A DIVERSE TEAM WITH THE SAME OPPORTUNITIES]

Equal opportunities in the work place, which is essential to achieve excellence in human resources management, is a reality at GS Inima. This is reflected in the organization's various professional levels.

Talent and effort to progress are what encourage development opportunities within the organization, irrespective of other personal aspects. Likewise, remuneration policy is based on equal opportunities, which is why the aim is to reduce the gap year after year.

GS Inima is still working on a reliable methodology to calculate any salary gap, in order to understand what is actually happening in the company.

Furthermore, external selection processes follow the assessment of merit and capacity, expressly excluding any limitation on the grounds of gender, disability or other factors.

Equality, a balance between work and family life, and other aspects related to an adequate and balanced employment situation, in professional and private terms, is a cultural and educational matter. A change is necessary in how work is conceived, towards a management vision based on objectives, which is flexible and absolutely equal, striving to retain and attract the best talent.

In 2019, GS Inima published its Equality Plan in Spain, establishing a series of objectives and measures to encourage and guarantee equal opportunities in the company. The objectives proposed include the need to guarantee equal remuneration between men and women, for which remuneration and staff appraisal policies will be established, maintained and improved upon. A Commission will be in charge of ensuring that the Plan is fulfilled, holding periodic meetings to evaluate the current situation and how the Plan is evolving.

These are some of the measures that the company is using to promote equality:

- Progressively introducing an uninterrupted 7-hour working schedule for pregnant women, starting one month before their due date, until maternity leave begins. This shorter working schedule will not affect each employee's economic payments, who will be entitled to 100% of their salary.
- For staff caring for disabled descendants (which a recognized disability degree of at least 33%), 125€ will be added to their payroll until the disabled person is 25. This aid may be extended beyond this time if a certificate is submitted, confirming that the disabled person lives with his/her father/mother (on staff).
- For workers on staff caring for children under 3, enjoying seniority of at least 3 years, with justified playschool expenses, 50€ gross/month will be paid as playschool vouchers, associated to the Flexible Remuneration Plan.

In line with its gender equality policies, GS Inima is also concerned about the employment inclusion of functionally diverse persons.

This is why it includes related aspects in its selection and recruitment procedures in Spain, which it hopes to extend to other countries in the future. In 2019, GS Inima had 14 disabled professionals on staff, 6 in Spain and 8 in other international offices. In turn, the company is committed to employment integration by outsourcing cleaning services to companies that promote this social group's employability. In the future, the organization will continue to ensure that this commitment is maintained through the many options available, in addition to directly hiring disabled professionals.

GS Inima absolutely rejects and has zero tolerance for any behavior or action constituting any form of sexual harassment, mobbing or harassment on the grounds of gender. It undertakes to actively, effectively and firmly collaborate to prevent, detect, correct and sanction any type of conduct constituting harassment.

As indicated in the "Ethics and Anti Corruption" section, the aforementioned behavioral principles are evidenced in the company's Code of Ethics.



COMMITTED

TO OUR EMPLOYEES

[MANAGEMENT OF TALENT]

Employee training and development are essential to achieve excellence and to promote innovation. The company has a specific ORP training plan and in 2019 it formalized a corporate Training Plan for GS Inima Spain.

To do this, we have identified the organization's general needs on the matter, based on an analysis of the current situation and any room for improvement. Our effort is focusing on reorganizing our people, facilitating responsibilities and team work.

At present, in order to adapt each person's profile and needs to his/her work post, the firm's employees are entitled to request courses or certifications to complete their knowledge applicable to GS Inima's strategy. Training is also arranged based on the operative needs of our facilities.

In addition, each department promotes an exchange of opinions in order to detect opportunities and establish improvements in our training programs, with a positive impact on GS Inima employee performance.

The Human Resources Department has encouraged participation on on-line courses. As these are essentially flexible, programs are more easily followed and the course reconciled with the participant's family life. Consequently, in line with the Training Plan, in late 2019 the Google Classroom tool began to be used in Spain, allowing employee training to be easily managed and adapting to their individual needs.

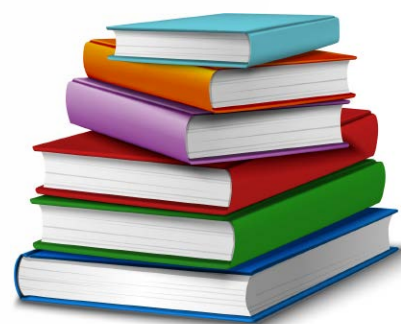
The number of hours' training taught in 2019 was:

Hours' training by professional category	2019
Executives and university graduates	931
Employees holding a diploma	588.5
Unqualified technicians	2,668
Administrative assistants	2,205.2
Other staff/operators	4,553.3
Total	10,946

Last year, a total of 302 courses were taught, 102 on Occupational Health & Safety. As in previous years, we promote a preventive, anticipatory and proactive culture, allowing us to minimize or remove accident risks.

Furthermore, we have arranged courses on operator maintenance and licenses, as well as others related to safety at work in confined spaces, or at a height. The greater number of environmental courses evidences GS Inima's commitment to generating environmental awareness amongst its professionals.

Number of courses by topic	2017	2018	2019
Occupational Health & Safety	76	167	102
Production	109	149	125
Environment	6	16	24
Human rights, ethics, integrity and conduct	16	85	44
Other	7	-	7
Total	213	417	302



[APPRAISAL OF PERFORMANCE]

The water sector is characteristically highly competitive and requires a high level of specialization and innovation. This is why the qualifications and commitment of GS Inima's professionals are essential to ensure high performance and positioning of the firm on the market.

Performance is appraised using methodology that is very useful to determine employee formative needs, and to establish economic compensation.

This methodology is evaluated in two ways. On the one hand, we use a target-based management model, which compares previously defined quantitative and qualitative indicators and the targets set. These indicators, aligned with GS Inima's strategy and objectives, are used to establish actions for improvement in various fields, such as productivity or disclosure.

On the other hand, the company has a working culture based on professional development and merit-based appraisal, for

which competencies are evaluated. This process analyzes each worker's performance and also includes an evaluation proposal.

TARGET-BASED
MANAGEMENT



EVALUATION
OF PERFORMANCE

[EVALUATION OF COMPETENCIES]

A total of 118 employees have completed a performance appraisal, carried out in 1Q2020 with respect to their activity in 2019.

Over the next few years we will work to improve this performance valuation procedure, transferring it to the company's other representative offices, taking advantage of the experience and results obtained.

[COMMUNICATION]

In 2019, we have continued to promote internal communication through a quarterly newsletter, published in order to get our workers involved in their employment surroundings. The newsletter is used to report on any novelties or relevant news in the sector, the organization's main projects or information considered of interest.

It is distributed by e-mail amongst workers with a corporate account, and in printed form at treatment plants or construction projects. This allows all of GS Inima's members to be aware of the company's results.

Throughout 2019, GS Inima has worked on improving its communication plan seeking a global approach, aligned with the company's international presence. These communication initiatives include the development of a corporate portal.



COMMITTED

TO OUR EMPLOYEES

[AN ATTRACTIVE WORKING ENVIRONMENT FOR OUR PROFESSIONALS]

GS Inima promotes an attractive working environment for the organization's workers, which results in better performance, productivity and career development.

In order to reach this objective, the company encourages a balance between work and family life through flexibility measures, amongst others. At our offices, work is carried out following a split schedule, encouraging uninterrupted performance during the summer months. Due to constant production on our facilities, operators work in shifts.

Although we still do not have specific policies to promote our workers' right to disconnect, in addition to flexibility measures, we have various fiscal tools, including the Flexible Remuneration Plan (PRF) for the Spanish parent company.

In forthcoming years, we expect to hold further meetings between employees and the Human Resources department to evaluate the working climate, in order to understand their interests, needs and concerns.

Of interest is the fact that many improvements will be implanted faster with the ongoing process map. The Human Resources Department already has a roadmap and strives to improve with everyone's cooperation.

[TRADE UNION RELATIONS]

[102-41]

GS Inima upholds the right of freedom of association and collective negotiation, as reflected in its Code of Ethics.

73% of the organization's employees are bound by the applicable Collective Bargaining Agreement (CBA). Most workers in Spain are bound to CBAs in the engineering, water services or construction sectors.

Contribution to United Nations Sustainable Development Goals



[2020 OBJECTIVES]



Development and implantation of Equality Plan measures



New changes in the performance interview



Completed job descriptions



Updated Human Resources regulations



Improvements in the command panel, seeking better risk management



Improvement in Human Resources communication channels

RELATIONS AND WORKING CLIMATE

THE MOST VALUED ISSUES

Following our working climate survey completed in 2018, the Human Resources department has taken the following initiatives/measures in response to employee requests and interests.

- Training plan and new classroom management.
- Talent review to identify potential and organizational imbalance.
- Training in executive skills for managers.
- New job classification: seven levels, with respective competencies.
- New performance appraisal model associated to this new classification.
- New competencies model.
- New definition of objectives.



COMMITTED

TO HEALTH AND SAFETY

[HEALTH & SAFETY AT GS INIMA]

2019 OBJECTIVES STATUS

Digitalization of all processes and implementation in international centers	■
Digitalization of corporate documentary management in Spain	■
Implantation of an Occupational Risk Prevention Management System worldwide	■

■ Achieved ■ Ongoing

GS Inima considers that ensuring safe and healthy working surroundings is absolutely necessary for its activity. This is why, both at plants and on worksites, the necessary preventive measures are implemented in order to avoid unwanted or unplanned events, as foreseen in the Occupational Risk Prevention Management System. At GS Inima, all employee groups are covered by collective employment regulations in different countries.

Health and safety have always been an integral part of GS Inima's business. The company has various instruments in place to encourage employee health and to prevent occupational risks. Nothing is more important than to guarantee that both employees and GS Inima's collaborators are safe when working in their employment surroundings.

[MAIN MILESTONES IN 2019]



Mutua Universal has distinguished our company for its good Health & Safety performance, reducing occupational accidents in 2017



Participation in the Business Monitoring Index for Prevention, Health and Safety (MEPS), reaching place 37



New integrated quality, environment, energy and health & safety policy



Completed digital transformation in Spain - audited by AENOR

One of the company's priorities is to carry out its activity in the best health & safety conditions. In turn, this public commitment is established in GS Inima's Occupational Risk Prevention Policy, recently integrated into its Quality, Environment, Energy and Health & Safety Policy (for more information, see the "Committed to the Environment" chapter), based on the policies of the South Korean holding company GS E&C.

Throughout 2019, effort has been made to improve the management of the "BINIMESTAR" Healthy Company Plan, applied to companies subject to ISO standards in Spain, which seeks to perfect the conditions in which employees work in health & safety matters. Through its most senior executive layer, GS Inima is committed to treating health & safety as a priority. The company has integrated this aspect into all activities and decisions related to productive processes, through its own management system, establishing a standard of preventive quality in line with new rules and legislation in force, as a basic reference.

GS Inima is seeking a bidirectional communication flow amongst all group companies. Consequently, in order to achieve the utmost efficiency, the QHSE Digital Project has been presented, to integrate, automate and digitalize the group's ISO Management Systems. This Project will focus on improved efficacy, disclosure towards our internal clients and better alignment in the company's strategy, to also include its workers and Management Committee. It should also reduce the times spent on non-technical management (documents, employee alerts, data consultation, bureaucracy, etc.). Below are the specific objectives to be reached in the short term:

- I. To establish a centralized and homogenous documentary and data base, accessed from any country where the GS Inima group is present.
- II. Digital transformation of QHSE (Quality, Health and Safety, Environment) management in the GS Inima group.

At those work centers where the management system is already implemented and consolidated, progress should be made for continuous improvement. To do this, GS Inima has decided to sophisticate employee health & safety standards. One of the company's objectives is to reduce occupational accidents in order to achieve zero accidents.

One of the company's priorities is to achieve preventive culture integrated throughout the organization, by using different kinds of tools: training and internal communication, participation in specific associations and work groups in the sector.

GS Inima has a common platform for all facilities, where workers are able to report or receive information on any progress made in health & safety matters, any security measures implemented at various plants, or queries that may arise in daily operations.

In Spain and Brazil, the company has Occupational Risk Prevention Management Systems. This system is audited in-house through internal audits and through external audits completed by independent third parties.

17
EXTERNAL
AUDITS

104
INTERNAL
AUDITS

Over 2019, 104 internal audits were completed amongst the facilities of Cap D'Jinet and Mostaganem (Algeria), WWTP Aranjuez, Valorinima, Seseña, Soria, Samar (Brazil), Redes de Cantabria and corporate facilities in Spain and Brazil.

Each year, Health and Safety Committees convene in order to decide and execute the necessary actions to guarantee continuous suitability, adequacy and effectiveness of the system. If necessary, changes are made in the system, policy and/or objectives.

This year, the following has been carried out:

4
EMPLOYMENT
INSPECTIONS

37
EMERGENCY
DRILLS

138
FIRE-FIGHTING
INSPECTIONS

1,339
INSPECTIONS
COMPLIANCE WITH
HEALTH & SAFETY RULES

101
INSPECTIONS
STORAGE AREAS OF
CHEMICAL PRODUCTS



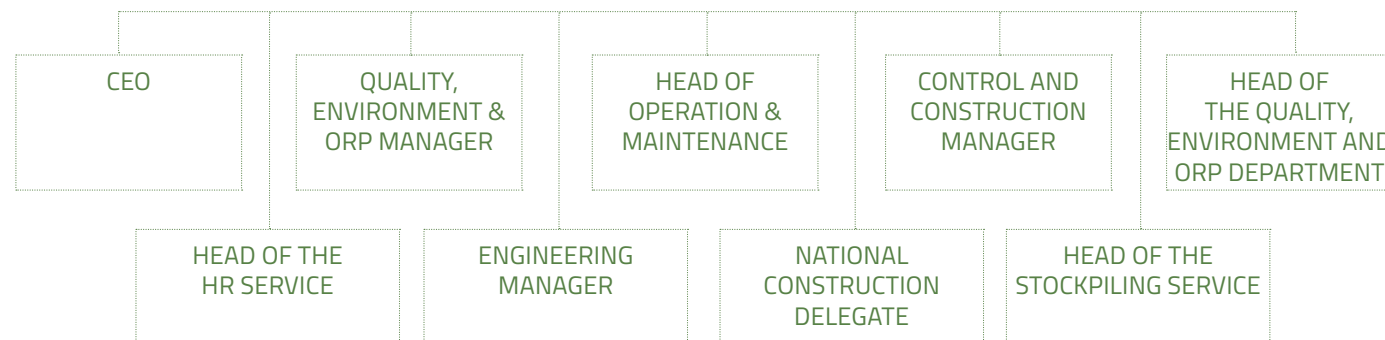
COMMITTED

TO HEALTH AND SAFETY

At certain company facilities, formal health & safety committees are in place, to ensure worker consultation and participation on the matter. All employees are represented through prevention delegates or their representatives.

The diagram below shows the composition of the Health & Safety Committee:

[QUALITY, ENVIRONMENT, ENERGY AND HEALTH & SAFETY COMMITTEE]



The Committee convenes at least once a year in order to adequately and fully analyze the system and current situation, and to define any objectives and future strategies in the matter for companies certified under the ISO standard in Spain.

More specific matters are also discussed, to include:



In addition, each country has its own Health & Safety Committee to which each country Delegate belongs

(as is the case in Mexico), which convenes each month.

[GS INIMA INVESTMENT AND EXPENDITURE IN PREVENTION MATTERS]

GS Inima's commitment to providing safe work surroundings that uphold employee health and safety is reflected in its investment in health and safety matters, with over 360,000 Euros in 2019, an annual average investment of nearly 225 €/employee.

GS Inima seeks to promote an occupational health culture as part of its commitment to health and safety. Integration of occupational health in the company's activities is manifested through its programs and action plans in various facilities and countries.

Expenditure and Investment in Health & Safety (thousand €)	2017	2018	2019
Brazil	191.9	189.4	529.5
Algeria	129.4	1,957.2	245.1
Spain	261.5	455.7	335.5
Mexico	3.2	18.7	14.0
Tunisia	0.7	13.3	-
Morocco	6.1	3.6	0.9
United States	31.7	31.4	33.6
Chile	-	38.19	-
Total	624.5	2,707.5	1,158.6

At Araçatuba SAMAR (Brazil) safety inspections are being carried out on all of the company's facilities, in order to ensure a continuous improvement in working conditions. Along these lines, equipment has been purchased for operations in confined spaces, improving safety during activities in tanks, deposits, manholes, etc.

At this same facility, the Health Department also issues assistance guides for medical check-ups at doctor's offices, clinics, laboratories, etc. The company keeps a daily communication flow in these sectors and, each week, convenes all its employees in the company's hall to adequately inform them. Furthermore, during 2019, training courses have been arranged in occupational health and safety legislation, to train and guide employees in Mexico and Spain.



COMMITTED

TO HEALTH AND SAFETY

[PERFORMANCE IN ACCIDENT RATES]

[OBJECTIVE: "ZERO ACCIDENTS"]

In order to reduce its accident rates, GS Inima believes it is necessary to design and implement a series of preventive measures which, in addition to removing or mitigating risks to the minimum, ensure employee awareness of how to adequately carry out their professional activity.

To do this, the causes of accidents are taken into account: affected staff, consequences and seriousness, based on accident research completed and saved in GS Inima's track

record. In this regard, over 2019 GS Inima has circulated e-mails amongst its plants informing them about traffic safety, in order to increase employee awareness on the matter and reduce the number of related accidents.

The company holds a statistic registry of any incidents arising in its facilities, searching for continuous improvement to reduce accidents and thus achieve its zero accident target.

Accident and absenteeism rates (own staff)*	2017	2018	2019
Frequency rate*	9.00	12.96	9.84
Women	0.00	6.08	3.84
Men	11.51	14.62	10.42
Seriousness rate**	0.25	0.43	0.29
Women	0.11	0.10	0.10
Men	0.29	0.51	0.31
Incidence rate***	18.09	26.98	17.40
Women	0.00	12.62	5.13
Men	22.85	30.44	19.03
Number of absenteeism hours****	4,594	9,631	15,197
Women	454	440	240
Men	4,140	9,190	16,169

Accident rates have been calculated according to the scope of the companies established at the end of this Report, following a different methodology from the one applied in the Group's Consolidated Annual Accounts; consequently, they do not coincide with the number of employees reflected in the Report.

* Frequency rate: (no. of accidents with leave/no. of hours worked) *1,000,000
 ** Seriousness rate: (no. of work days lost/no. of hours worked) *1,000
 *** Incidence rate (no. of occupational accidents with leave/no. of workers) *1,000
 **** The number of absenteeism hours is based on hours lost following an accident with leave

In 2019, SDP Atacama-Consorcio registered one employee with a professional illness.

In turn, as a measure to encourage improved management in this field, GS Inima has a confidential and anonymous channel for employee communications, specifically in matters related to Health & Safety. Last 2019, a total of 49 suggestions were received, which will be handled as follows: first, a check will be completed to approve or dismiss them; then, any accepted will be implemented.

Furthermore, for subcontracted staff, accident rates have been as follows:

Accident rates (contractor staff)*	2017	2018	2019
Frequency rate*	10.73	4.06	1.80
Women	0.00	0.00	0.00
Men	11.22	4.34	1.90
Seriousness rate**	0.24	0.04	0.05
Women	0.00	0.00	0.46
Men	0.26	0.05	0.03
Incidence rate***	17.02	5.25	1.69
Women	0.00	0.00	0.00
Men	17.76	5.52	1.76

* Frequency rate: (no. of accidents with leave/no. of hours worked) *1,000,000
 ** Seriousness rate: (no. of work days lost/no. of hours worked) *1,000
 *** Incidence rate (no. of occupational accidents with leave/no. of workers) *1,000

2020 OBJECTIVES

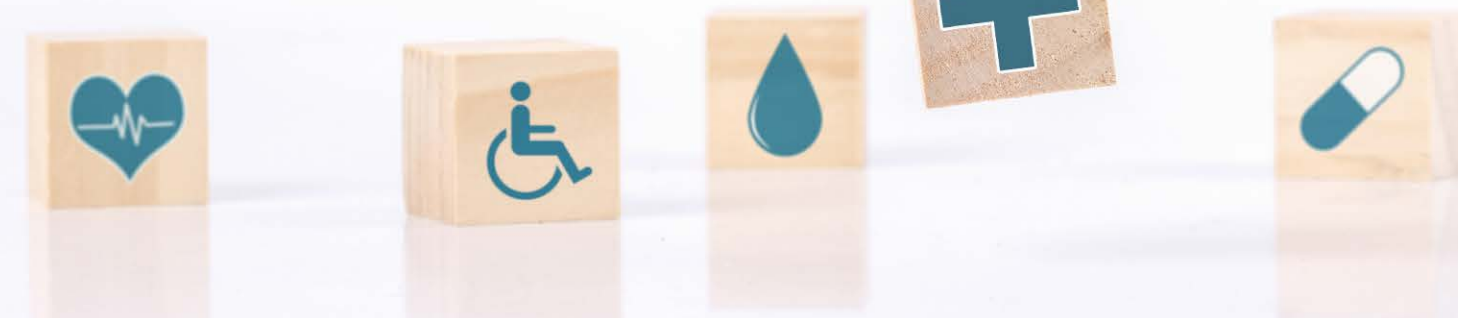
Management excellence

Improved health & safety future

Integration of the 5 management systems (RDI, Quality, Environment, Energy, Health & Safety)

To obtain ISO 45001 certification

Contribution to United Nations Sustainable Development Goals



COMMITTED

TO THE ENVIRONMENT

2019 OBJECTIVES

STATUS

- To extend any initiatives to improve company performance in energy efficiency ■
- To improve the on-line platform used to gather data from various areas, including the environment, providing greater accessibility, improved documentary management and implantation of new utilities ■
- To continue drafting a corporate standard for Quality and the Environment, shared by all centers and countries ■

■ Achieved ■ Ongoing

[MAIN MILESTONES IN 2019]

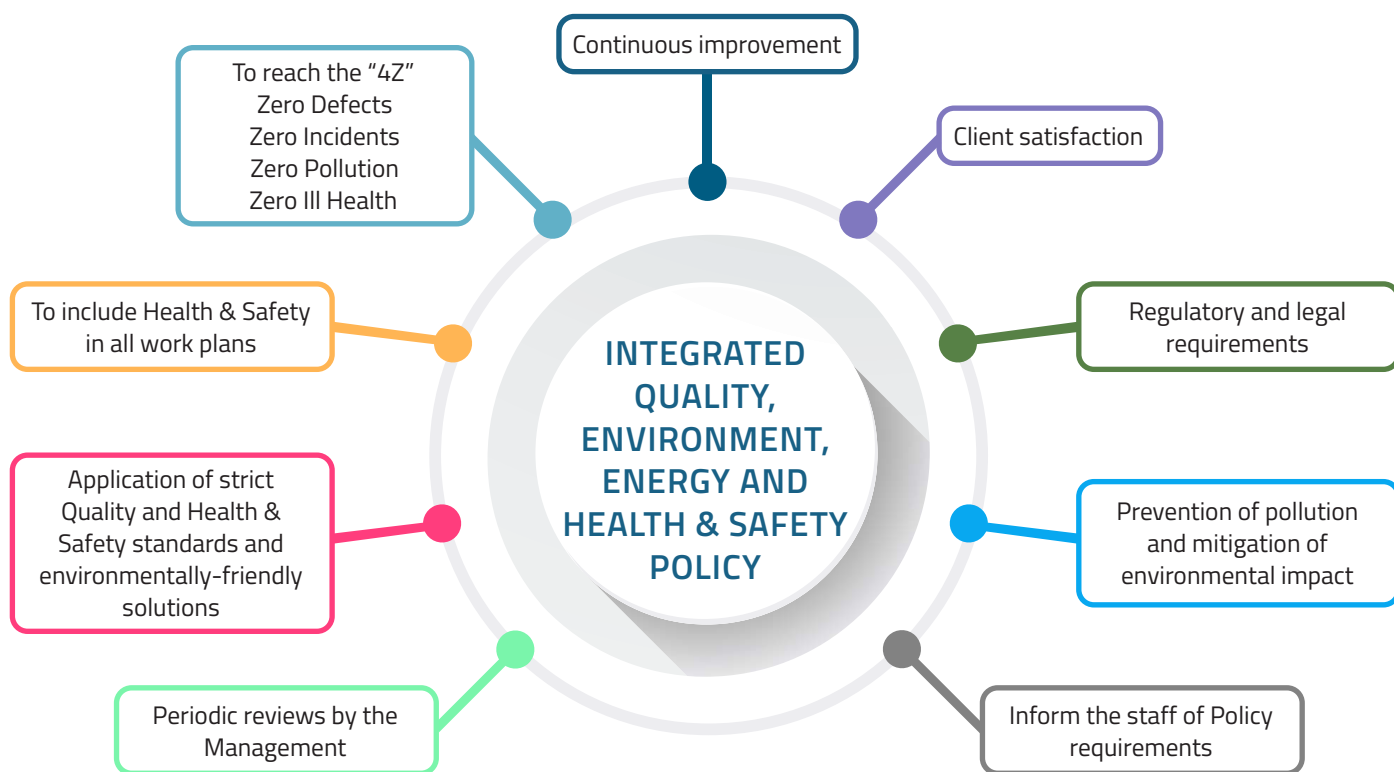
GS Inima is still incorporating methodologies and good practices to reduce the consumption of resources, to minimize the environmental impact of its activity and to encourage environmental awareness amongst its professionals, thus reinforcing its commitment to protect the environment and its surroundings.

The company is aware of the implications of its activities, and is committed to its clients, society and the environment. It provides the necessary means to develop, implement and maintain a quality system; this environmental and energy management allows the company to guarantee its contractual performance capacity. In this way, it meets its clients' expectations and specific legal requirements to protect the environment and reduce energy consumption.

[OUR QUALITY, ENVIRONMENT, ENERGY AND HEALTH & SAFETY POLICY]

This Policy is the result of integrating our former Occupational Risk Prevention Policy into our Quality and Environmental & Energy Management Policy signed in 2018.

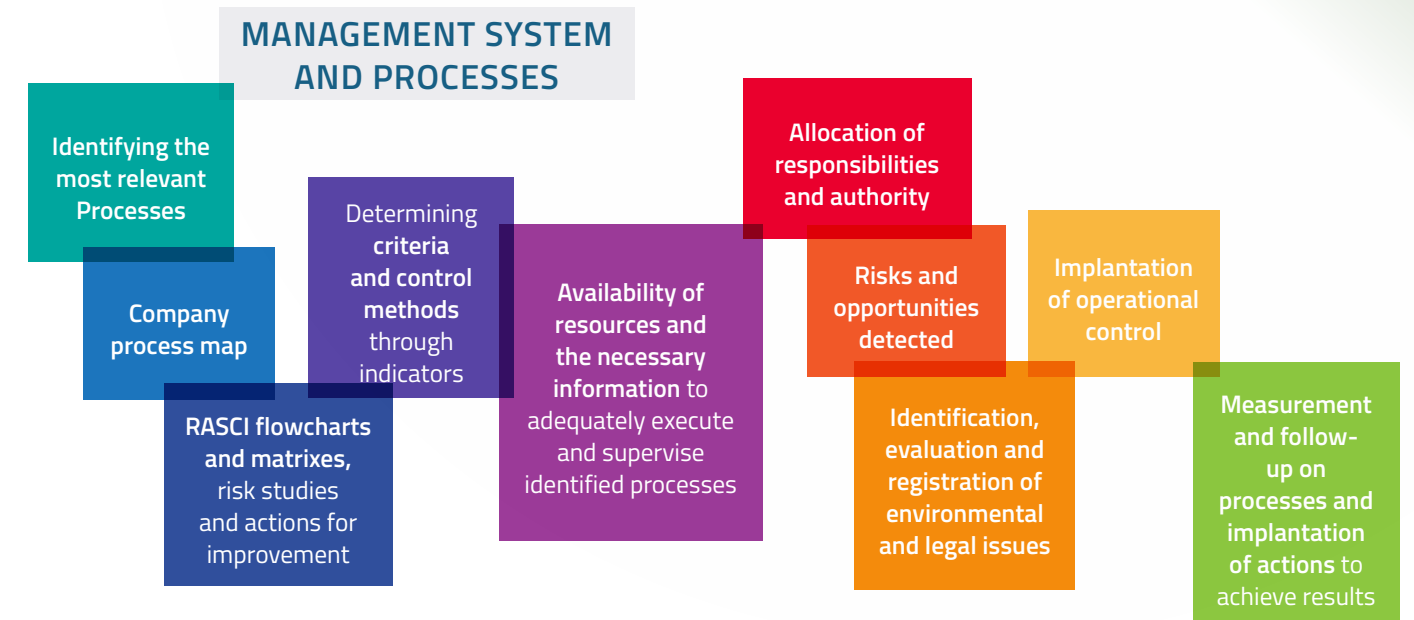
The basic action principles of this new integrated Policy are the following:



The Policy is available to all our clients and the general public. In turn, any requests for information from interested parties are covered and, if necessary, information is provided on the environmental impact of our activities.

Furthermore, GS Inima regularly studies and analyses its surroundings through a SWOT analysis, identifying any Strengths, Weaknesses, Opportunities and Threats, in order to understand the organization's context and its ability to meet its Management System's expectations.

GS Inima's management system has been developed based on the following:



Along these lines, the Quality, Environment, Energy and Health & Safety Manual was updated in 2019 which, like the new integrated policy, includes health & safety matters. This Manual is mandatory in GS Inima, in the manner and form established therein, either directly or through the relevant procedures and other system documents. The scope of the management system covers all company facilities, departments and staff, and any external collaborators outsourced.

In turn, in Brazil, Group companies such as Jeceaba are certified under ISO 14001:2015 and others, like Caepa, Samar, Comasa, Sesamm or Ambient, under ISO 9001:2015. They also have their own Environmental Policy.

GS Inima's environmental management system is certified under standard ISO 14001:2015. This environmental certification includes the following within its scope: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Güriezo and Marina de Cudeyo) and Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornès, WWTP Illescas, WWTP Tarazona and SDP Alicante. In addition, since 2018, Inima Water's drinking water laboratory has been certified under standard ISO 9001:2015, as have the foregoing facilities.

These standards confirm the company's excellent environmental management, through which an evaluation is conducted on any effects on the environment, boosting new business opportunities for new markets and clients. The company incorporates and integrates the most advanced technologies, with a special focus on developing its own technologies to remedy environmental problems, such as processes for the treatment and purification of urban and industrial water.

With respect to the non-financial reporting tool, CSR Platform indicators were updated in 2019. This year, we have continued with specific training provided to reporting companies and those requesting it, in order to increase awareness of the importance of this process and the need to adapt to international non-financial reporting standards.

COMMITTED

TO THE ENVIRONMENT

OUR ENVIRONMENTAL PERFORMANCE

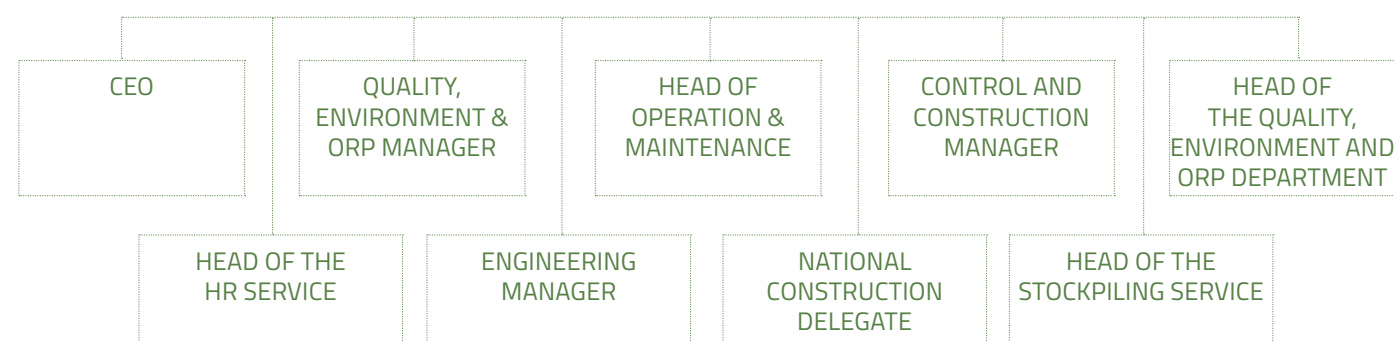
[EFFECTIVE CONSUMPTION OF MATERIALS]

AWARENESS PLAN

POSTED SIGNS AND TRAINING

Of interest is the fact that in order to extend its environmental commitment, GS Inima has designed an environmental awareness plan to be implemented in Spain, with posted signs and formative action, directed at ensuring that all company employees efficiently use the resources made available.

[QUALITY, ENVIRONMENT, ENERGY AND HEALTH & SAFETY COMMITTEE]



In addition to this corporate Committee, which meets up once a year, each country has its own committee that convenes each month.



In all its activities, GS Inima uses its surroundings in a responsible, rational and sustainable manner. It manages its facilities with sustainable management criteria and carries out its works after completing the necessary environmental impact studies, seeking to rationalize the use of materials and energy, trying to avoid discharge and emissions into the atmosphere and adequately managing its generated waste.

The consumption of resources varies significantly depending on the company's activity, as well as the type of facility under construction and its location. Thus, materials will be reported differently depending on the type of activity being executed.

The main materials used by the company in its various areas of activity are shown below:

Consumption of construction materials (tons)	2017	2018	2019
Total aggregates	8,414	51,062	30,525
Cement/concrete	14,268	16,090	35,620
Bitumen and asphalt	426	637	4,299
Steel	413	1,183	286
Iron	12	336	611
Total consumed materials in facilities certified under ISO 14001:2015*	9,535.66	1,595	895
Total	23,532	69,308	71,341

*The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Güriezo and Marina de Cudeyo) and the Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornès, WWTP Illescas, WWTP Tarazona and SDP Alicante.

The consumption of aggregates has fallen with respect to 2018, basically due to less consumption required in the works to construct SDP Atacama (Chile).

The main goal of our construction activity is to reduce the generation of inert waste in construction materials, ranging from minimization and optimization, to recycling and reuse. In order to optimize the use of materials on construction sites for companies covered by ISO 9001, we have established a control system upon receipt of any steel, surfacing material, concrete and ceramic materials, to prevent damage and control of their consumption.

The main consumption of materials in Operation & Maintenance is represented by reactivities used in water treatment facilities.

Materials consumed in Operation & Maintenance (tons)	2017	2018	2019
Cationic polyelectrolytes	1,091	1,092	809
Anionic polyelectrolytes	28.6	2.3	7.56
By-products	0	724	312
Carbon dioxide	3,448	4,166	4,448
Calcium carbonate	5,844	5,289	5,417
Sodium hypochlorite	1,670	1,144	1,151
Sulfuric acid	1,234	385	1,335
Glycerin	0.5	1.5	0.77
Caustic soda	977	506	1,575
Metabisulfite	6	7.4	5.10
Antiscalant	97	222	221
Other chemicals*	4,680	7,026	7,822
Total consumed materials in facilities certified under ISO 14001:2015**	1,865	2,741	1,869
Total	19,076	20,744	23,102

* "Other chemicals" include ferric chloride, antiscalant, hydrochloric acid, sodium chloride, calcium hydroxide, activated carbon, aluminum hydroxide, ferric sulfate, aluminum polychloride, sodium bisulfite, fluosilicic acid, antracite, silica, starch, aluminum sulfate, chloride, sodium bisulfite, oxygen and alkaline detergent for cleaning membranes.

** The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Güriezo and Marina de Cudeyo) and the Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornès, WWTP Illescas, WWTP Tarazona and SDP Alicante.

During 2019, GS Inima registered total consumption of 23,102 tons in reactivities, for the treatment of drinking water, desalination and purification of wastewater, representing an 11% increase in consumption over 2018. This is mainly due to including GS Inima Industrial facilities into the CSR report.

COMMITTED

TO THE ENVIRONMENT

[WASTE MANAGEMENT]

Over the last few years, the circular economy has become a trending topic amongst politicians and business representatives, and ultimately a priority in European Union policies.

CIRCULAR ECONOMY

PRODUCTION AND ALTERNATIVE CONSUMPTION

It is presented as an alternative to the current production and consumption model, with potential to resolve environmental challenges whilst also opening up opportunities for business and economic growth. It improves the use of resources and contributes aggregate value to business activities, whilst at the same time including environmental sustainability, the right against climate change and socio-economic wellbeing for present and future generations.

An efficient use of resources has significant advantages, both in environmental and economic terms. For GS Inima, this involves the efficient and responsible use of raw materials and greater optimization at its treatment plants, requiring great effort to ensure that waste is correctly and efficiently managed. At the same time, this production and circular consumption model will limit and/or avoid any environmental impact and irreversible damage to climate and biodiversity.

In line with this management, in our ISO 14001-certified companies we have developed two Environmental Guides: a Guide for the Management of Non-Hazardous Waste, and another for the Management of Hazardous Waste. Specific measures and guidelines are established to identify, store and manage all types of waste.

Non-hazardous waste generated (tons)	2017	2018	2019
Dehydrated sludge/mud	196,730	195,660	208,685
Sand and aggregates (m ³)	28,330	1,704	10
Pre-treatment waste	1,521	1,821	2,022
Degreasing oils	532	483	431
Desanding sand	2,207	1,531	2,669
Debris	74,080	4,102	842.9
Wood	190	37,5	54.5
Metal	648	25,5	119.7
Paper and cardboard	11.18	117.4	28.4
Plastic	17.57	5.7	52.01
Minor	2.6	2.0	352.7
Other	189	805.7	5,427.2
Non-hazardous waste (t) managed by facilities certified under ISO 14001:2015*	41,930	19,367	18,330
Total	304,459	206,295	220,694

In turn, through the ISO 50001 management system, the company develops and implements its own energy policy, which includes the use of waste to generate energy.

**The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornès, WWTP Illescas, WWTP Tarazona and SDP Alicante.*

The sludge generated by water treatment for drinking and purification are managed effectively and risk-free. This management is always carried out through authorized managers, by withdrawing, carrying and finally disposing of the sludge, usually on agricultural land. The high volume of sludge under management is mostly due to the by-product of sludge drying in Metrofang.

Currently, in line with its environmental commitment, GS Inima is working through the RDI department to reduce the amount of residual sludge, using anoxic-oxic digestion systems and optimizing seawater collection processes on desalination plants.

As regards hazardous waste, the company strives to reduce its amount by improving processes and progressively replacing the use of certain substances.

Hazardous waste generated (tons)	2017	2018	2019
Oil	7.6	11.8	14.8
Other waste	11.2	15.2	57.7
Contaminated metal containers	0.4	1.8	1.6
Contaminated plastic containers	2.0	4.7	6.0
Absorbing agents and rags	2.7	1.5	1.3
Batteries	1.6	1.1	2.0
Fluorescent tubes	0.3	0.4	1.7
Used oil filters	0.5	0.3	0.6
Chemical laboratory products	0.5	1.2	1.5
Hazardous waste (t) managed by facilities certified under ISO 14001:2015*	2	3.47	6.31
Total	26.6	38.0	87.2

**The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornès, WWTP Illescas, WWTP Tarazona and SDP Alicante.*

COMMITTED

TO THE ENVIRONMENT

[CARING FOR WATER QUALITY]

GS Inima is aware that one of the greatest challenges it faces is the use and deterioration of natural resources. This is why the company's mission is to provide global solutions to support sustainable management in the water sector.

The company bases its strategy in water quality matters on two points:

- To encourage innovating solutions for sustainable management.
- To control consumption and improve quality by adequately managing our facilities.

Given its activity, the company is committed to adequately managing water resources, which may significantly contribute to the achievement of its objectives.

Water consumption by collection source (m ³)	2017	2018	2019
Wastewater	60,524	1,024,173	58,606,102
Well water	293,807	1,014,837	1,029,773
Water obtained from the public network	85,385	43,058	37,876
Water obtained from surface water	4,260,961	4,263,602	35,860,162
Water obtained from other sources	1,253,744	2,748,767	3,808,475
Total water consumed by facilities certified under ISO 14001:2015*	12,034	54,279	112,456
Total	5,954,421	9,094,437	99,342,387

*The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Güriezo and Marina de Cudeyo) and the Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornès, WWTP Illescas, WWTP Tarazona and SDP Alicante.

The increase in wastewater consumption in 2019 is due to including GS Inima Industrial in the facility portfolio.

The company directs its activities towards a sustainable model, seeking conservation of the ecosystems. Proof of its commitment are the milestones reached in 2019 in terms of volume of water treated by our wastewater purification plants, the treatment of drinking and recycled water, reaching a total flow of 1,542,192 m³.

WWTP DWTP treatment capacity (m ³)	2017	2018	2019
Spain	674,112	571,445	724,026
Algeria	16,820	16,820	25,248
Brazil	337,216	295,848	620,118
Morocco	172,800	172,800	172,800
Total	1,200,948	1,056,913	1,542,192

GS Inima's commitment to developing infrastructures that guarantee universal access to water is reflected in its desalination capacity data: it is the world's leading company in desalination through reverse osmosis.

At present, the company has 10 desalination plants with treatment capacity exceeding 701,570 m³/day.

SDP/IDAS treatment capacity (m ³)	2017	2018	2019
Spain	185,000	185,000	185,000
Algeria	300,000	300,000	300,000
USA	85,354	85,354	85,354
Mexico	42,336	42,336	42,336
Tunisia	50,000	50,000	50,000
Chile*	38,880	38,880	38,880
Total	701,570	701,570	701,570

* Under construction, SDP Atacama.



[WASTE SURVEILLANCE]

For GS Inima, discharge is one of the main effects of its activity. This is why Trial Plans are put into place in order to ensure operational control of the entire process, to particularly include water discharge.

The discharge of wastewater includes both downloading into the public sanitation network and into the sea or rivers. In 2019, this totaled 188,913,704 m³.

Given the different environmental impact of the discharge of desalination plants and wastewater treatment plants, GS Inima believes it is important to complete specific supervision for each type of discharge:

Discharge of desalination plants under exploitation (m ³)	2017	2018	2019
Wastewater discharged into the sea	99,877,830	200,405,159	184,971,473
Wastewater discharged into the public sanitation network	18,408	60,465	41,073
Total	99,896,237	200,465,624	185,012,546

* Under construction, SDP Atacama.

Discharge in desalination plants has decreased in 2019, mainly due to no longer operating SDP Djerba.

In turn, of interest is that the discharge of wastewater into the public sanitation network, associated to sludge drying facilities, has been 1,253,052 m³.



COMMITTED

TO THE ENVIRONMENT

[EFFICIENCY AS A PRIORITY]

Energy efficiency allows us to produce and consume energy in a smart and innovating manner, as one of the key factors in the fight against climate change and reduction in the emission of greenhouse gas.

The improved energy efficiency of GS Inima's activities and a reduction in emissions are essential for its sustainable development. Some of the company's key processes, particularly related to water treatment, consume a large amount of direct and indirect energy. This is why, in order to reduce this energy consumption, GS Inima's strategy in energy efficiency matters is based on two cornerstones, demonstrating the company's commitment to the promotion of energy efficiency in its activities.



Innovation in energy efficiency, one of our RDI strategic lines

The organization has an energy management system in place, certified under standard UNE-EN ISO 50001:2011, applicable to GS Inima Environment S.A. This certification was obtained in 2019 and will remain valid until 2022; it covers exploitation activities (operation and maintenance) in wastewater purification stations, desalination facilities and comprehensive water cycle management (collection, treatment as drinking water, storage, distribution, maintenance of the sewage and sanitation network and sales management).



Lower use and optimization of energy in order to reduce consumption and, consequently, fixed and diffuse source emissions

As a company dedicated to water management, purification, desalination and treatment, GS Inima must face a series of risks, such as its dependence on energy or the management of waste generated by its water treatment. The company seeks to convert these risks into opportunities, applying innovation to mitigate such risks.

GS Inima has implemented permanent measures to encourage energy savings, such as:

- Environmental control and supervision through specific energy consumption files and establishing environment objectives for process optimization.
- Routine checks on relevant parameters in operation & maintenance processes.
- Drawing up preventive maintenance plans, both in facilities under Operation & Maintenance and in machinery used during construction.
- Energy Planning Procedure. It was last updated in 2019. All activities affecting the company's energy performance have been reviewed, in order to obtain certification ISO 50001.

The company would like to continue strengthening its energy efficiency plan through operative savings and the generation of clean energy through its processes. Further to the foregoing, the company has some co-generation facilities: WWTP Sesamm and Ambient (Brazil) and WWTP Crispijana and Montornés del Vallés (Spain), producing 11,901 MWh/year.

Direct energy consumed by country (GJ)*	2017	2018	2019
Algeria	270	543	699
Spain	23,749	73,485	63,748
Brazil	61,996	64,488	68,322
Mexico	9,254	1,463	564
USA	16,676	355	466
Morocco	1,801	411	411
Chile	-	5,341	8,600
Tunisia	4,863	17	-
Total consumed by centers certified under ISO 14001:2015*	16,708	24,862	13,430
Total	118,609	146,103	142,811

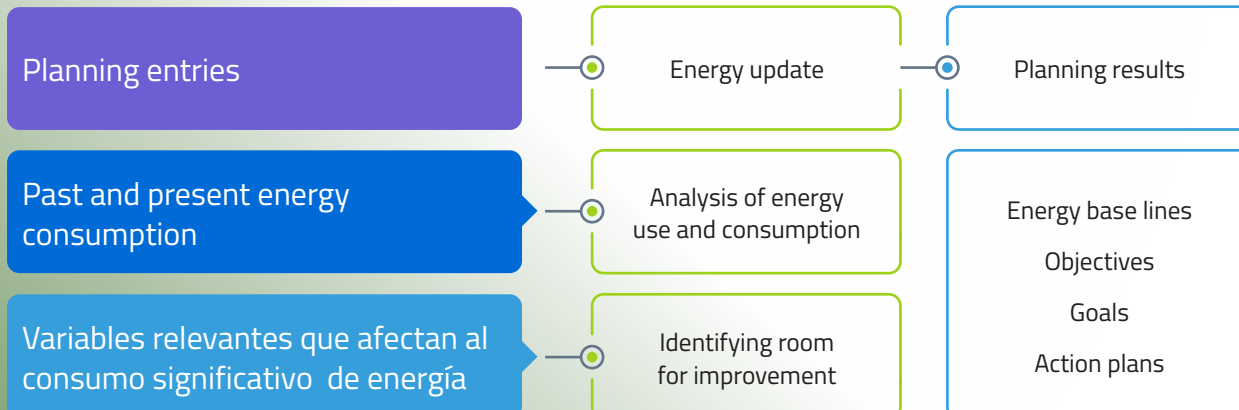
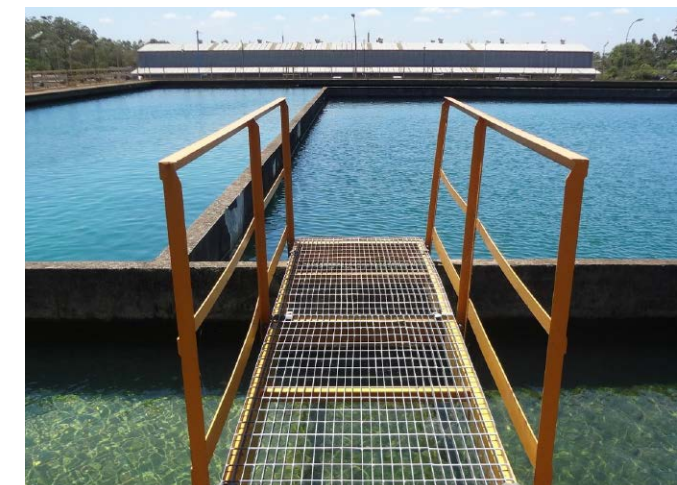
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Indirect energy consumed by country (MWh)	2017	2018	2019
Algeria	287,788	296,043	285,356
Spain	98,115	243,879	218,884
Brazil	38,775	38,621	66,782
Mexico	22,120	31,978	40,967
USA	3,052	1,764	1,530
Morocco	12,6	0	0
Chile	6,5	5,6	4
Tunisia	16	20,518	0
Total consumed by centers certified under ISO 14001:2015*	50,325	51,247	34,250
Total	449,885	632,809	613,524

*The following companies are ISO 14001:2015-certified: SEMAS (Sociedad de Economía Mixta de Aguas de Soria), GS Inima Environment S.A. (offices and productive centers), Inima Water Services (Servicios de Aguas de Castro Urdiales, Noja, Miengo, Gúriezo and Marina de Cudeyo) and the Joint Ventures (UTES) WWTP Aranjuez, WWTP Segovia, WWTP Seseña, WWTP Montornés, WWTP Illescas, WWTP Tarazona and SDP Alicante.

In 2019, GS Inima reduced its electricity consumption by 3% compared to 2018.

GS Inima is committed to extending the use of renewable sources of energy. In its WWTP Sesamm it already has photovoltaic panels to generate energy. Inaugurated in June, the project involved installing 1,066 solar units producing a total power of 402,375 kWp on the roofs of the administrative office buildings and the drainage of sludge on the land surrounding the station, shaped like a depot. A total of 2,124.54 m² are being used and the plant is able to produce 606 MWh each year, representing approximately 30% of the station's total consumption.



COMMITTED

TO THE ENVIRONMENT

[FIGHT AGAINST CLIMATE CHANGE]

Climate change is one of the greatest threats faced by society. At present, concentrations of carbon dioxide and methane, as indicators of climate change due to human activity, are reaching unprecedented levels. The latest report published by the World Economic Forum, on risk analysis, has identified climate change as one of the most relevant risks in the next few years.

According to the WHO report, greenhouse gas emissions will cause a rise in temperatures and long-lasting changes in all climatic components, which will increase the probability of severe, generalized and irreversible impact on persons and ecosystems. Most experts agree that the potential effects of climate change may have a huge impact on the world's hydric resources.

DEVELOPMENT BASED ON
INNOVATION
LOW-CARBON MODEL

GS Inima is responding to climate change and other environmental problems by changing the way in which it manages its business, towards a preventive and creative model. It seeks sustainable development founded on technological innovation to promote a low-carbon and environmentally friendly model.

Over the last few years, the company has made an effort to find out which emissions are associated to its processes, how to mitigate them and how to prepare itself for a future where available resources may compromise its mission.

In order to discover its main sources of emissions, once again this year the company has drawn up its CO₂ emissions inventory, including both emissions associated to direct or indirect energy consumption (scopes 1 and 2) and emissions associated to employee business trips (scope 3).

Emissions of greenhouse gas (tCO ₂ eq)	2017	2018	2019
Direct emissions derived from fuel consumption	2,078	1,996	2,118
Direct emissions of greenhouse gas not associated to used fuel	3,264	3,190	56,471
Indirect emissions derived from electricity consumption	189,012	239,844	234,391
Estimate of other indirect emissions: business trips in private cars	28	151	102
Estimate of other indirect emissions: business trips by other means of transport	383	348	446
Total	194,765	245,529	293,528

Despite the absence of a reduction target, the company is currently planning various initiatives that seek to reduce emissions, to include:

- Implantation of the necessary systems for the use of photovoltaic energy.
- Follow-up and optimization of energy consumption in critical processes.
- A plan to replace traditional fuel-run vehicles with hybrid and electrical ones.



[BIODIVERSITY]

As previously mentioned, GS Inima administers its facilities following sustainable management criteria and carries out construction projects with the necessary environmental impact studies in each case, evaluating biodiversity matters amongst others. In this way, we ensure that the impact of our activity on the ecosystem is the least possible and falls within established limits.

Proof of this is the evaluation completed for the last works executed by the company, SDP Atacama. In it, the project's impact on the soil (due to soil loss), marine ecosystems (by collecting seawater) and local animal species (due to noise) were considered "Immaterial". In addition, it was established that the project had no material effect on the Priority Site for the Conservation of Biodiversity (Desierto Florido).

2020 OBJECTIVES

Digitalization of the environmental management system throughout the corporation

Registration of the carbon print

Contribution to United Nations Sustainable Development Goals



CONTRIBUTION

TO SOCIETY

GS Inima is committed to sustainable development, with special emphasis on protecting the environment and access to water supply, through a responsible use of water by society.

Awareness campaigns to encourage water savings and enhancement are mainly addressed to children and adolescents, for whom various programs and educational activities are launched.

[SOCIAL ACTION POLICY]

The company's Social Action Policy, evidencing its stance on the matter, establishes the basic lines of action in this field.



[GS INIMA'S SOCIAL ACTION COMMITTEE]

GS Inima is committed to the economic and social development of the local communities to which it provides a service, through sustainable social action models.

professionals, protection of surroundings and establishing ties with the local community.

The company has a Social Action Committee in place, aimed at launching steps to improve the environment and drinking water access in underprivileged regions, always based on the organization's cornerstones: environmental protection, the promotion of social action and teamwork.

This committee consists of the CEO and professionals in various areas, such as human resources, legal, sales, concessions, RDI and engineering. Its functions include the approval of a social action budget, determining the scope of social action projects, proposing and approving actions, collaboration in technical aspects upon request, and communication and promotion of social actions amongst GS Inima's team.

In fact, GS Inima has thus undertaken a commitment to manage its economic, social and environmental actions, consolidating its ethical conduct, assistance to its

SOCIAL ACTION COMMITTEE



CONTRIBUTION

TO SOCIETY

[INITIATIVES LAUNCHED IN 2019]

The projects launched in 2019 have totaled a more than 94,000€ investment in Brazil.

Furthermore, GS Inima has made an investment of 283,804€ in Brazil related to sponsorship actions.

In addition to the organization's total involvement in social action matters through its collaboration and sponsorship, participation by the firm's employees is also encouraged. In turn, of particular importance are the organization's cultural sponsorship activities in Brazil in order to promote the social development of local communities. Like in previous years, in 2019 visits and awareness campaigns were completed.

[AMBIENT]

The company actively collaborates with associations like ABRACCIA (Associação Brasileira de Combate ao Câncer Infantil e Adulto), APAE, Casa das Mangueiras, ADEVIRP, Fundação Pio XII – Hospital Amor Barretos, Casa do Vovô, Lar Padre Euclides, Apae de Catanduva, FAEPA-USP and the Symphonic Orchestra of Ribeirão Preto (OSRP).

Furthermore, various support and/or partnership initiatives are carried out, of which the most representative are described below.

BOOK FAIR (RIBEIRAO PRETO, BRAZIL)

Once again this year, the company has sponsored the XIX edition of the Ribeirão Preto Book Fair, staging an educational play entitled "Friends of the Environment".

The show has counted on the presence of 300 students from local public schools, highlighting the importance of using water in a responsible manner and the treatment of wastewater.

HEREDEIROS DO FUTURO HEIRS OF THE FUTURE

Held in the amphitheater of Ambient's facilities, this entertainment show covers topics such as the economy of natural resources, the importance of the Gauraní Spring, basic sanitation, sewage treatment, selective collection and recycling, pollution and sustainability.

More than 3,900 students from public and private schools, between 7 and 15 years old, were present at the performances held in 2019. As a result, more than 86,000 students have already been trained since the initiative was started up in 2005.

TREE DAY

On 21 September, Tree Day, Ambient replanted 30 trees in Ribeirão Preto. In order to generate awareness and guidance on the importance of trees, this planting counted with the collaboration of 35 students in the 9th grade from Escuela CAIC Antonio Palocci.

WORLD OF WATERS PROJECT

In December, Ambient launched this project with the participation of 700 students in grades one to five from the Prof Rosangela Basile state school.

This roadshow, exhibiting a 4D technology short feature film, intends to generate awareness amongst the audience of the importance of water and the consequences of its pollution. At the end of each show, all students were given an informative leaflet and activities arranged in relation to sanitation, as well as an ecological pencil.

TRIBUNA RIBEIRÃO MARATHON

This is the main street race in Ribeirão Preto, which currently has 3,000 professional and non-professional athletes participating from 82 towns in Brazil, respectively competing in 5 km, 10 km and 21 km competitions. The event is now so relevant that it has become part of the official calendar of the town's sports events.

In 2019, Ambient has participated in the IX edition of the event, welcoming all participants under a tent with a table of fruit and drinks. Furthermore, Ambient has assigned an area for fast massages, and to measure blood pressure and oxygen levels.

CHILDREN'S DAY

In order to celebrate Children's Day, on 12 October, Ambient put on a play entitled "Cuide Bem do Meio Ambiente" to show the importance of the environment, at the Fábio Barreto state school. Various shows were put on before an audience of 700 people.

[CAEPA]

CYCLING EVENT IN PARAIBUNA

Caepa has backed up the XIX Cycling Event "Paraibuna" Trip Trail, through volunteers in charge of distributing 500 bottles of juice and approximately 2,000 glasses of water for the cyclists. A cold water fountain was also available.

Furthermore, during enrolment for the race, nearly one ton of food was collected for the town's social institutions.

VISIT OF ESCUELA CARISMA TOTAL STUDENTS TO WWTP CAEPA (PARAIBUNA)

In line with the company's commitment to generate awareness on the importance of responsibly using water and informing about the processes included in the water cycle, the students of Escuela Carisma Total (Paraibuna) attended a course on Caepa's facilities, as part of celebrating Water Day on 22 March.

SHOW HELD BY ESCUELA IRMÃ ZOE TO GENERATE AWARENESS ON THE DANGER OF FIRES

In order to celebrate Environment Day, Caepa held a show in the town of Paraibuna entitled "Quim Labareda's discovery", to generate awareness on the danger of fires. The show, which uses musical resources and puppets, was approximately one hour long and was attended by 820 students of the Irmã Zoe municipal school.

'WORLD OF WATERS' PROJECT

The company, in the same way as Ambient, arranged the 'World of Waters' project, this time for the students of the Irmã Zoe Municipal School in the town of Paraibuna.

[COMASA]

In order to celebrate Environment Day, the company launched the 'World of Waters' project in Santa Rita do Passa Quatro. The film show, also held in Ambient and Caepa, was attended by 1,500 students from the municipal schools of Francisco Ribeiro, Madre Carmelita and CAIC Laura Suriani Barbuio.

Furthermore, Tree Day was celebrated with the planting of trees. Comasa, in conjunction with the Environmental Department of the town of Santa Rita do Passa Quatro, planted 160 autochthonous trees.

"GUARDIANS OF THE ENVIRONMENT" PROJECT

Comasa, in conjunction with the CAIC - Laura Suriani Barbuio municipal school in Santa Rita do Passa Quatro, has launched this project with 314 participating students. The main objective was to encourage a responsible use of natural resources and to improve sanitation services through various classroom activities.

In addition to environmental education activities, other activities were arranged such as collecting approximately 500 liters of oil, which were transformed into detergent powder and donated to local institutions, and the collection of paper and bottles for recycling, by ninth-grade students.



CONTRIBUTION TO SOCIETY

[INITIATIVES LAUNCHED IN 2019]

[SESAMM]

TREE AND ENVIRONMENT DAY

As part of Tree Day celebrations, 70 volunteers took part in planting 180 trees, thus helping recover the Mogi Mirim rain forest destroyed by a fire.

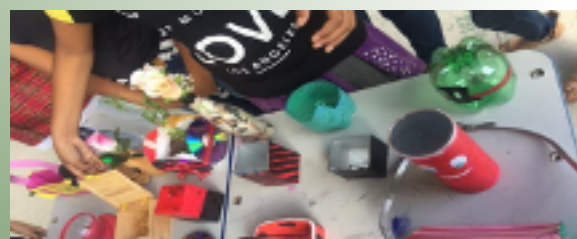
Sesamm held Environment Day at the same time. During the event, in conjunction with the Secretary for the Environment and the Roda Presta cycling team, various activities were arranged to generate awareness amongst participants about the use of natural resources, responsible use of water and adequate removal of waste.

WATER WEEK

On 17 March Sesamm, in conjunction with SAAE and the town of Mogi Mirim, arranged a bicycle trip that marked the start of Water Week in the municipality. The event gathered approximately 150 persons, including adults, children and professionals. At the end of the trip, all participants attended a conference on basic sanitation and completed a guided tour of the Wastewater Treatment Station to understand the processes used to treat wastewater.

[SANAMA]

During 2019, Sanama has focused its social programs on environmental education for students from various schools. In addition to talks and workshops, an event was held on Sanama's premises that involved 174 students from Alta Maceió schools.



[SAMAR]

TREE AND ENVIRONMENT DAY

On 21 September, Tree Day, Samar, along with the Town Council of Araçatuba, held the first sustainability race. All funds collected from the race were used for environmental improvements in the extension of Avenida Joaquim Pompeu de Toledo, on the banks of Arroyo Machadinho.



Moreover, the company, in conjunction with the Town Council of Araçatuba, has arranged various activities to celebrate Environment Day, to include the III edition of the Bagaçu Expedition, school visits, talks and a design contest.



"CATCHING LEAKS" PROJECT

Through this project, since 2018 Samar visits Araçatuba schools and completes inspections with the students to detect any possible leaks. In this way, responsible use of water is encouraged amongst the younger population, who thus become key agents in the preservation of water.

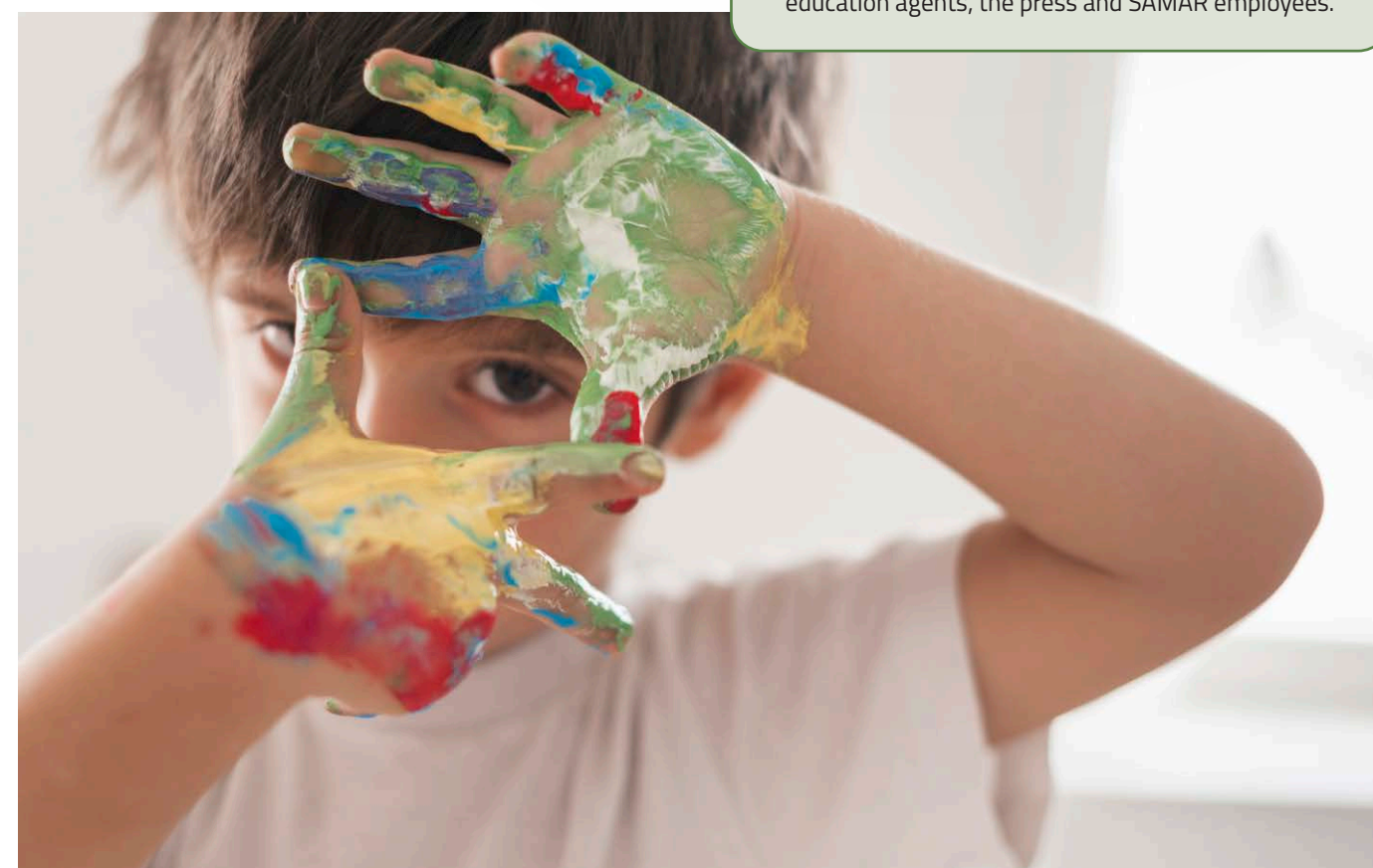
In 2019, the project was awarded the Sustainability Prize, and came second in the Institutional Category. This prize, which held its III edition, is arranged by SINDCON (Sindicato Nacional das Concessionárias Privadas de Serviços Públicos de Água e Esgoto) and supported by ABCON, institutions that bring sanitation enterprises and professionals in Brazil.

III BAGUAÇU EXPEDITION

For the third consecutive year, the venture between SAMAR and various local bodies resulted in the III Bagaçu Expedition.



This project, born of the events arranged to make the population aware of the importance of the Bagaçu riverbank, was attended by approximately 300 people at its III edition, to include university students, environmental education agents, the press and SAMAR employees.



CONTRIBUTION

TO SOCIETY

[GS INIMA ENVIRONMENT]

The organization has signed a collaboration with the NGO Energía Sin Fronteras (ESF) whereby the organization has made a donation to finance the construction of 14 basic water-pressure sanitation units, at schools and healthcare centers in the district of Matanza (Piura, Peru). This is the first contribution of this kind carried out by the Spanish representative office, and this type of venture is expected to be carried out in the next few years. This collaboration evidences the company's commitment to development and cooperation with underprivileged communities, particularly in those countries where it is present.

SANITATION UNITS

14

DONATED BY THE SPANISH REPRESENTATIVE OFFICE

Currently, GS Inima has presented three private initiatives for the Ministry of Construction, Housing & Sanitation in this Peruvian region. Approximately 150 children and educators at teaching institutions will directly benefit, as well as users of Centro de Salud Ternique.

In addition, GS Inima is collaborating with the SEUR Foundation to promote the "Tapones para una nueva vida"® ["A new life for bottle caps"] Project, which involves gathering plastic caps to help sick children.

Contribution to United Nations Sustainable Development Goals



COMMITTED

TO OUR SUPPLIERS

[PURCHASING MANAGEMENT MODEL]

2019 OBJECTIVES

STATUS

To reinforce the Supplier Catalogue by focusing on the validation and evaluation of national and international suppliers



To adapt the supplier platform for homogenized reporting (contracts and orders)



■ Achieved ■ Ongoing



In this way, GS Inima is able to fully guarantee one of the keys to its success- the supply chain- closely linked to certain Sustainable Development Goals (SDGs).

[INTERACTION WITH MAIN SUPPLIERS]

Over the last few years, GS Inima has sought to optimize logistics related to international projects, in order to reduce costs and time. To do this, a detailed analysis is completed on economic aspects (duties and taxes), transportation (distance and time) and legal issues (regulations and insurance).

Our commitment to this method is based on the difficulty of each operation for the organization, derived from its geographical scattering of activities, the high volume of ongoing projects and little flexibility in execution deadlines. In addition, due to the high technical demands inherent to our unique business, practically all of the company's purchasing transactions need to be carried out by specialized entities in the sector.

803
CONTRACTS SIGNED

In line with this strategy, boosted by the availability of supplies and services, the organization prioritizes the contracting of nearby suppliers in order to promote local development and to guarantee that all needs are managed in a flexible and optimized manner. This commitment is evidenced by last year's figures. In 2019, of the 803 purchasing contracts signed with 4,757 suppliers, for over 115 million Euros, 91% was completed with local suppliers.

Furthermore, GS Inima locates any potential risks in the countries where it is present in order to ensure the responsible management of its supply chain and establish sustainable productive surroundings that improve its supplier management.

[MAIN MILESTONES IN 2019]



New corporate procedure for purchase management



Consolidation and centralization thanks to the new process map structure

To maintain GS Inima's values and supplier activities aligned, in order to guarantee the organization's sustainability, is one of the main tasks of the purchasing area.

Nevertheless, all the parties involved in a purchasing process will guarantee, with the necessary measures, that the company's general principles are applied (free competition, proportionality, disclosure, confidentiality and non-discrimination/equal treatment) in procurement procedures.

To promote a firm link between the organization and its suppliers is essential to ensure stable and long-term commercial relations, in line with GS Inima's policy. In this way, the company puts special emphasis on bidirectional evaluations, allowing it to take action for improvement.

In order to reach our goals, we need to ensure and offer top quality services based on continuous improvement, using a specialized supplier system.

Aware of its importance, GS Inima has included in its Purchasing Management Model applicable in Spain a procedure for approval as an organization supplier. It consists of three stages: selection (pre-evaluation included), validation and evaluation:



As has been the case over the last few years, in 2019 GS Inima has continued consolidating its Supplier Catalogue. This register, with a classification by process (desalination, purification or drinking water treatment), product, invoiced amount and country of operation, is used to determine which suppliers are critical for the organization.

In 2019, in order to improve efficiency and make the bidding process easier, the Catalogue has been restructured, incorporating HSQE (Health, Safety, Quality and the Environment) criteria.

GS Inima is working to establish framework agreements for international plants and those where chemical products are used, in order to improve its supplier management.

[SELECTING OUR SUPPLIERS AND SUBCONTRACTORS]

GS Inima's procedure for supplier selection is able to endorse tendering processes that meet the company's main values in the matter: justice and disclosure.

Suppliers are selected following specific requirements in environmental, quality and occupational safety matters. GS Inima requires that they have long-term experience in the sector and must meet the technical specifications of the equipment or material to be distributed.

The company is still working on centralizing its purchasing process, covering 60% of its purchases, for situations where each country's delegates are in charge of handling orders and supplies. If this is the case, the corporate purchasing department makes a recommendation for an award, based on the offers received from each unit. The benefits of centralized purchasing include, amongst others, better communication due to using a single interlocutor, more efficient negotiations and an exhaustive supervision of incidents.

GS Inima demands compliance with minimum requirements in environment, quality and safety matters, pursuant to local legislation, where it cannot guarantee that purchases will be carried out under company conditions, due to the involvement of third parties and its lack of full operating control. However, if GS Inima requirements are not met, the terms of the transaction must be agreed with the Legal Department Manager.

The main supplies required for GS Inima's services are:

- Materials to execute civil works
- Materials for hydraulic pipes, including training and assembly services
- Electromechanical equipment and services for assembly and start-up
- Spare parts and contracted maintenance for large equipment
- Chemical products to treat water and laboratory testing
- Contracting of additional services: external inspections or back-up engineering
- Contracting of logistic services

COMMITTED

TO OUR SUPPLIERS

[SERVICE EVALUATION]

[SUPPLIER VALIDATION]

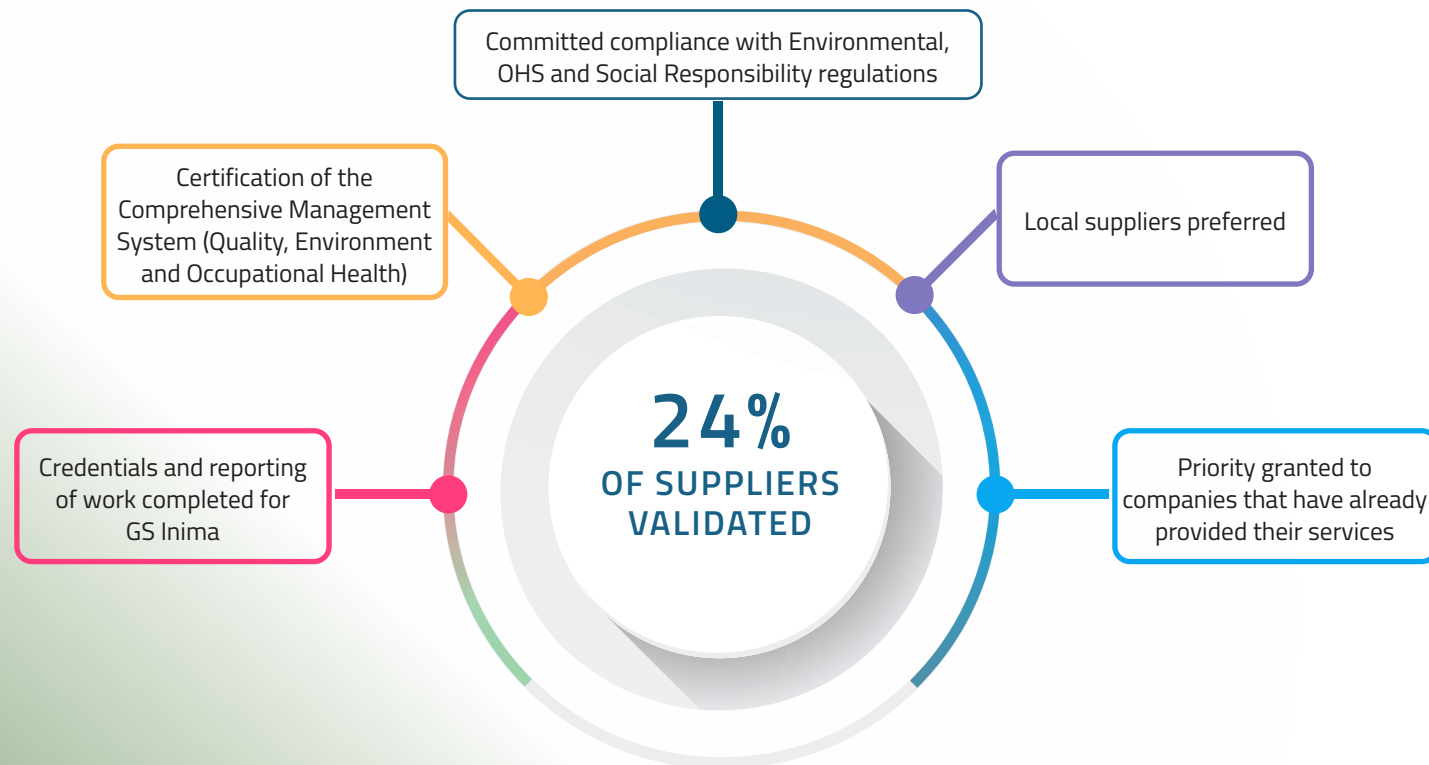
Validation criteria for GS Inima suppliers are the same as in previous years. In this process, the Purchasing and Quality & Environment areas appraise the achievement of the issues indicated below, after which the supplier in question will be validated.

- Holding of certificates on environmental management, quality or occupational safety systems, to include series ISO 9000 and 14000, standard OHSAS 18001 or certification EMAS and others.
- Acceptance of the agreement on Environmental, Occupational Health & Safety and Social Responsibility compliance, in any

contracts signed with GS Inima or Joint Ventures (UTEs) to which it belongs, valid for a 3-year term.

- Accreditation and documentary reporting of any tasks completed for GS Inima or its associate Joint Ventures (UTEs), valid for 3 years.
- Furthermore, priority is initially granted to local suppliers and to those that have already worked with the company.

The Purchasing Department keeps the database updated by analyzing, evaluating and managing the current validation status of all suppliers.



In 2019, GS Inima worked with 1,146 validated suppliers. During the year, the validation process has included a clause enabling suppliers to adhere to our Code of Ethics.

The Evaluation Report on Suppliers and Subcontractors is the reference document explaining supplier performance in quality, environment and health & safety matters. Issued each year, it includes the company's periodic evaluations and reflects any contractual clauses not fulfilled. This Report is used as a guide to renew any validation, and is also useful to determine where there is potential for improvement.



Supervision of supplier performance is carried out through an in-house tool that stores information on executed tasks. By using evaluation files, a global score is obtained as guidance when selecting a supplier in future contracts.

All suppliers are obliged to submit an improvement plan and to make the necessary corrections, whenever irregularities are detected, based on the non-conformity, corrective and prevention action management procedure. A failure to complete these remedies may entail suspension of the contract and cancellation of the supplier company's validated status.

In 2019, GS Inima evaluated all the suppliers managed by its parent company, GS Inima Environment, S.A., and Brazilian companies certified under ISO 9001. In turn, it has conducted a total of 48 inspections on suppliers, 32 of which were carried out by its own staff and 16 by independent third parties.

Thanks to seminars arranged by the purchasing area, GS Inima's technical information is kept constantly updated. At these seminars, suppliers are able to present the latest news on their products.

2020 OBJECTIVES

Change in system evaluation. Navision Microsoft dynamics business central, a speedier, better and more centralized new system.

To consolidate a bidirectional evaluation for 2020 (Inima's supplier evaluation. Bidirectionality has not been achieved. Pilot experience, intended to become standard in 2020).

ATACAMA

Results of the Atacama Project: synergies between engineering, purchase (backed up by the company's management and quality system) and construction departments. Coordinated management. Example of internal communications.



The Atacama Project applied the company's new processes, producing an excellent synergy between the various departments involved: engineering, stockpiling and construction (all backed up by the company's management and quality systems department).

An example of the results obtained is an improvement in coordinated management and internal communication, and the strengthening of teamwork.

Contribution to United Nations Sustainable Development Goals



CLIENT SATISFACTION

GS Inima is oriented to the future, offering its clients opportunities and benefits and taking advantage of new market trends. Its client commitment is directed at obtaining excellent results in the present day and guaranteeing future results, based on sustainable development.

[MAIN MILESTONES ON 2019]



Client training in decision-making matters related to desalination, in Peru



Construction works for the new SDP Atacama, to improve the quality of local water services

One of GS Inima's main commitments is to offer a service that exceeds its clients' expectations and to obtain their full satisfaction. To do this, the organization works in creating products and services which, in addition to meeting legal requirements, are manufactured under basic quality standards. This commitment is reflected in the company's Quality, Environment and Energy Policy and is endorsed by certification UNE-EN ISO 9001 granted to the quality management system.

GS Inima considers that direct dialogue is the most effective and easiest way to communicate with its clients. Due to its portfolio characteristics and the length of its projects, service quality is based on closeness and personalized assistance to cover each client's specific needs.

GS Inima strives to achieve these objectives, through the following commitments:

- To implant a client-oriented culture throughout the company, in such as way as to identify their needs and how to act upon them.
- To complete quality checks on client service, generating feedback on executed work.

A CLIENT-ORIENTED CULTURE

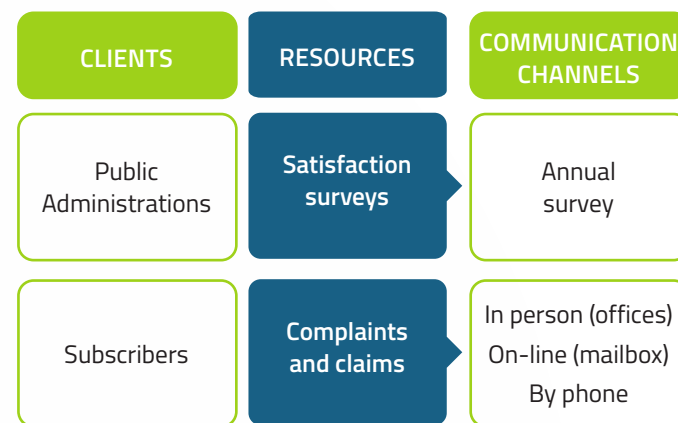
IDENTIFYING NEEDS AND TAKING ACTION

In 2019, the organization has continued to work on establishing communication channels to enable client interaction, allowing satisfaction surveys to be completed and/or the filing of complaints and claims. In this way, user opinions may be integrated into daily operations.

SERVICE

QUALITY CONTROL

WORKING FEEDBACK



In the management of water services in towns such as Soria, Castro Urdiales, Miengo, Marina de Cudeyo, Noja or Guriezo where GS Inima has more than 89,000 subscribers, a 24-hour help desk is in place to handle incidents. For the processing of non-conformities, a one-step claims office is in place as well as a mailbox, providing constant personalized assistance. This is aimed at ensuring client satisfaction by improving assistance and processes.

Claims received during 2019	2019
Claims received (water network services and subscriber management)	18,479

In turn, all of GS Inima's business areas include procedures to follow up on its activity performance and the quality of water under management, thus guaranteeing its optimum condition and, ultimately, consumer health and safety.

In concession projects, indicators are associated to water quality parameters and similar operational aspects, which are regularly sent to the organization for examination, taking corrective measures if appropriate.

In operation & maintenance services, the quality parameters determined by clients are supervised by analyzing samples in authorized laboratories.



For EPC contracts, the client supervises determining execution concepts (materials, equipment, etc.) as an extra quality inspection.

Furthermore, through Works Supervision and/or Concessions Committees, the organization holds regular meetings in order to evaluate client satisfaction on the services provided, encouraging disclosure and a continuous evaluation of project development.

Both our websites (Spain, Brazil, CAEPA, COMASA, SESAMM, SANAMA) and social networks (Twitter, Facebook) used by the company's subsidiaries and delegations continue to circulate information amongst our stakeholders, on service notices (downtime or breakdowns), surprising facts, news, prizes or conference participation, amongst others. All of this is carried out in line with the Dissemination Plan launched by our water services.

CLIENT SATISFACTION

[OUR DISTRIBUTION NETWORK]

The management of water services is an essential part of GS Inima's business. Please note that the number of subscribers to water service management in Spain is approximately 89,000 clients, and nearly 92,000 in Brazil.

Client satisfaction is particularly relevant for GS Inima. Consequently, as a novelty, some indicators have been included to measure performance, described below:

2,387
NEW SUBSCRIBERS

679
SUBSCRIBERS CANCELLATIONS

94
CLAIMS RECEIVED IN SPAIN

3,142
BREAKDOWNS IN THE SUPPLY NETWORK

2,457
BREAKDOWNS IN THE SANITATION NETWORK

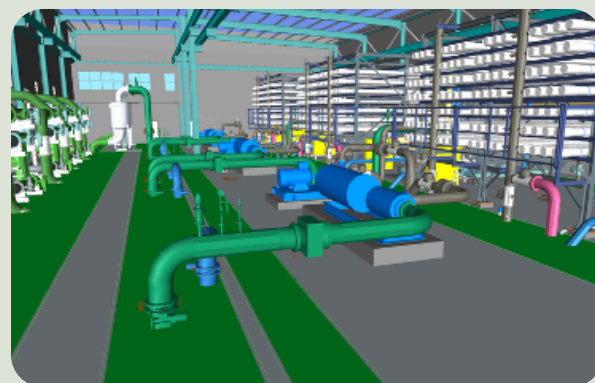
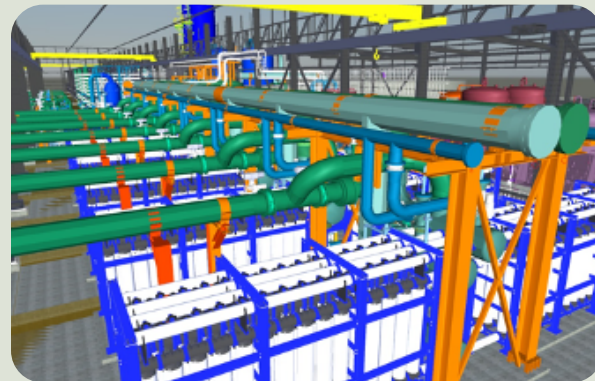
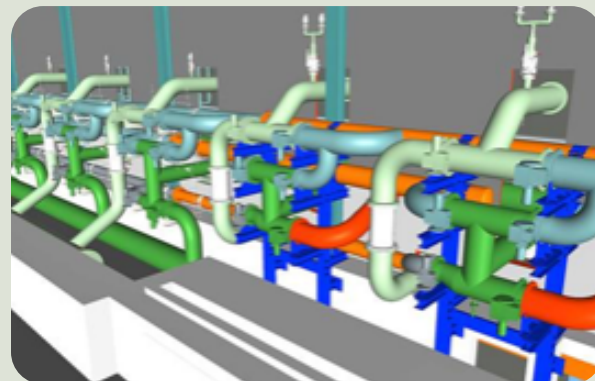
SUSTAINABILITY REPORTING
NEWS, DATA AND INITIATIVES

Contribution to United Nations Sustainable Development Goals



ATACAMA PLANT

GS Inima is working on developing initiatives to achieve excellence as regards the quality of its water supply services. A clear example of this is the progress made in design and engineering of the SDP Atacama works, in order to improve work quality and the reliability of results obtained.



ABOUT

THIS SUSTAINABILITY REPORT [102-49]

[SCOPE AND APPROACH]

For the eighth consecutive year, GS Inima has published its Sustainability Report which, in addition to sharing its results, challenges and commitments in sustainability matters, aspires to become a rendering of accounts on the company's performance.

GS Inima's Sustainability Report has been based on the GRI Standards, under the "essential" option. For Materiality Disclosure Services, GRI Services has checked that the GRI table of contents is clear, and that references for Contents 102-40 to 102-49 correspond to the relevant sections of the Report.

GRI Standards require a materiality analysis by the company in order to identify any social, environmental and ethical matters of relevance for its stakeholders and which, consequently, need to be taken into account due to their potential impact on the company. This materiality study was updated in 2019 and has identified sustainability issues that are relevant for GS Inima's business and its stakeholders.

The Report is issued each year and the scope of the data published is limited to all those geographical areas where GS Inima is present and all its subsidiaries, except for the Técnicas y Gestión Medio Ambiental (TGM), UTE TRAMFANG, Shariket Miyeh Ras Djinet SPA and Shariket Tahlya Miyah Mostaganem SPA facilities, due to the low number of workers and/or productive activity. The number of employees has been calculated by considering the scope of the companies established at the end of this Report, following a different methodology from the one followed in the Group's Consolidated Annual Accounts Report, which is why the number of employees reflected in Chapter 4.2 of this Report does not coincide. These changes in methodology are a result of considering UTEs based on their participation perimeter.

The data reported cover the period transpiring between 1 January 2019 and 31 December 2019, both inclusive. However, in some cases, qualitative information is reported that arose during 2020, during the consolidation process of quantitative data and the drafting of this Report. All financial data have been obtained from the Reports of the Consolidated Annual Accounts for the financial year ending 31 December 2019. The limits on the scope of information are described in the relevant section of the Report and in the GRI table of contents.



[PRINCIPLES UNDERLYING THE REPORT]

[102-46]

A follow-up on the principles set by the Global Reporting Initiative in GRI Standards guarantees that the information contained in this Report is reliable, complete and balanced.

GS Inima ensures that these principles are supervised as follows:

Principles that guarantee the quality of the Report:



BALANCE

This Report explains the positive and negative aspects of the organization's performance, enabling us to complete a reasonable appraisal of the company, to include its challenges. The content adaptation involved in this Report contributes to this achievement.



COMPARABILITY

The information published in this report allows readers to analyze the company's performance in 2019, as well as to compare its performance with other organizations and previous years (2017 and 2018)



ACCURACY

The information published in this Report is accurate and sufficiently detailed to enable the company's stakeholders to adequately appraise its performance.



FREQUENCY

GS Inima has now published its VIII Corporate Social Responsibility Report. As has been the case over the past seven years, the aim is to issue this report annually, in order to enable informed decision-making by its stakeholders.



TRANSPARENCY

The information is presented in a comprehensible and reader-friendly format. To facilitate its understanding, tables and charts have been included, avoiding technicalities with which stakeholders may be unfamiliar.



RELIABILITY

The information contained in this Report has been verified by an independent third party, and is obtained from policies and procedures incorporated into GS Inima's systems.

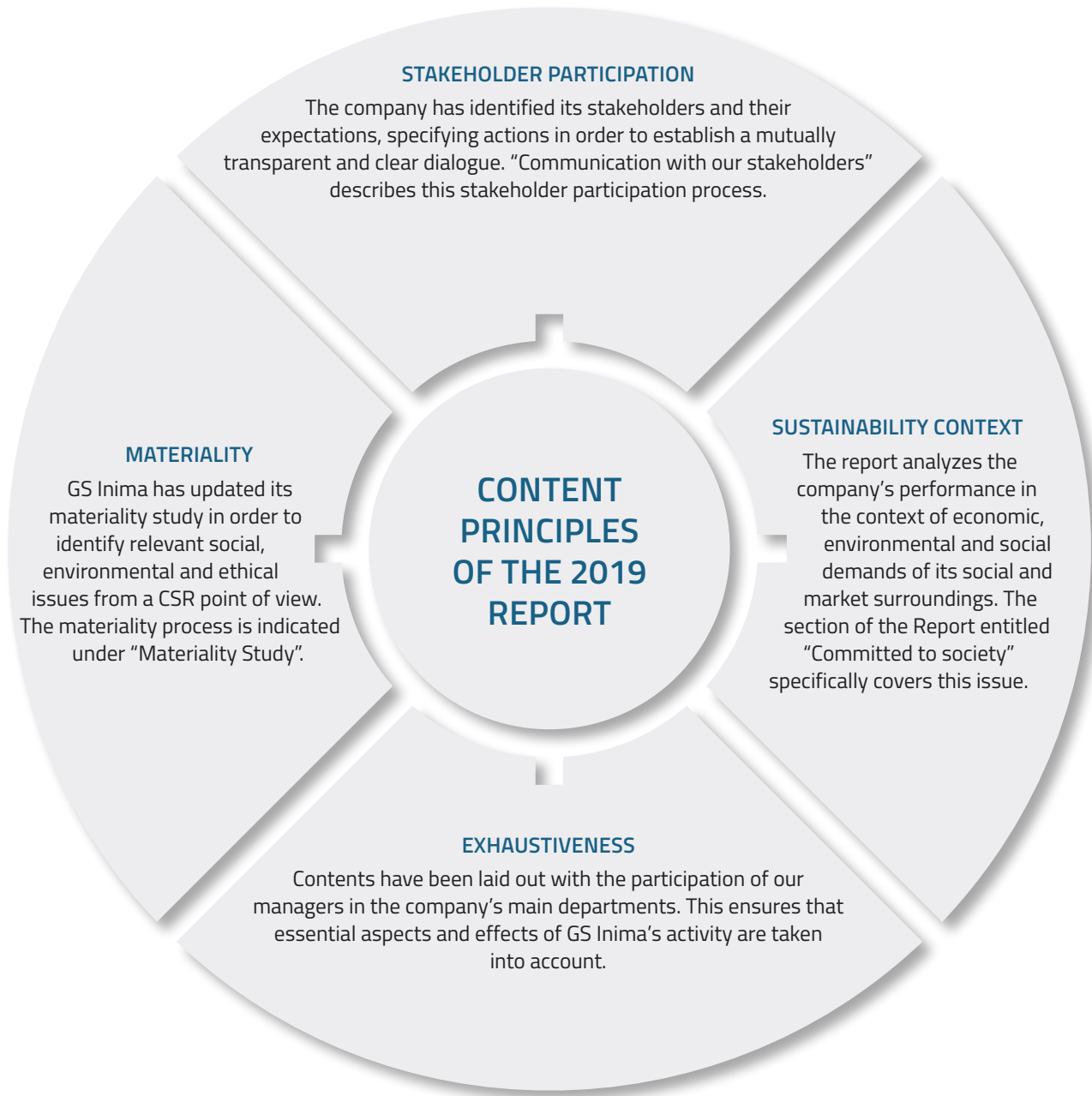
ABOUT

THIS SUSTAINABILITY REPORT

[MATERIALITY STUDY]

[102-44] [102-46] [102-47]

Principles that determine the content of this Report:



The materiality process began by identifying which issues were potentially relevant in sustainability matters for a water sector company, taking as a reference aspects evaluated by leading

socially responsible investors, and those treated by sector companies, without forgetting the company's relevant issues and those used during its past materiality study.

PHASE I

[IDENTIFYING RELEVANT MATTERS]

Matters have been selected according to the previous materiality analysis (2018), the impact of material matters on GS Inima's value chain and the main trends and standards in non-financial reporting.

In addition, information requirements have been considered as foreseen in **Act 11/2018 on the disclosure of non-financial information and diversity**.

PHASE II

[INTERNAL PRIORITIZATION OF RELEVANT MATTERS]

Completion of surveys with area managers and GS Inima offices, appraising the importance of each matter.

PHASE III

[EXTERNAL VALUATION OF RELEVANT MATTERS]

For external prioritization, we have considered the results of a press analysis, relevance for other sector companies, DJSI and SASB, and have appraised several opinion leaders (IWA, AEDyR, Global Intelligence and the World Bank).

PHASE IV

[CONSOLIDATION OF INTERNAL AND EXTERNAL RESULTS]

We have identified and prioritized material matters in CSR terms for the company, after consolidating the results of internally and externally relevant matters.

Finally, after defining the value chain, prioritization questionnaires were completed by e-mail, in order to reflect on

the impact of matters identified throughout this chain, and the approach taken by each one in this Report.

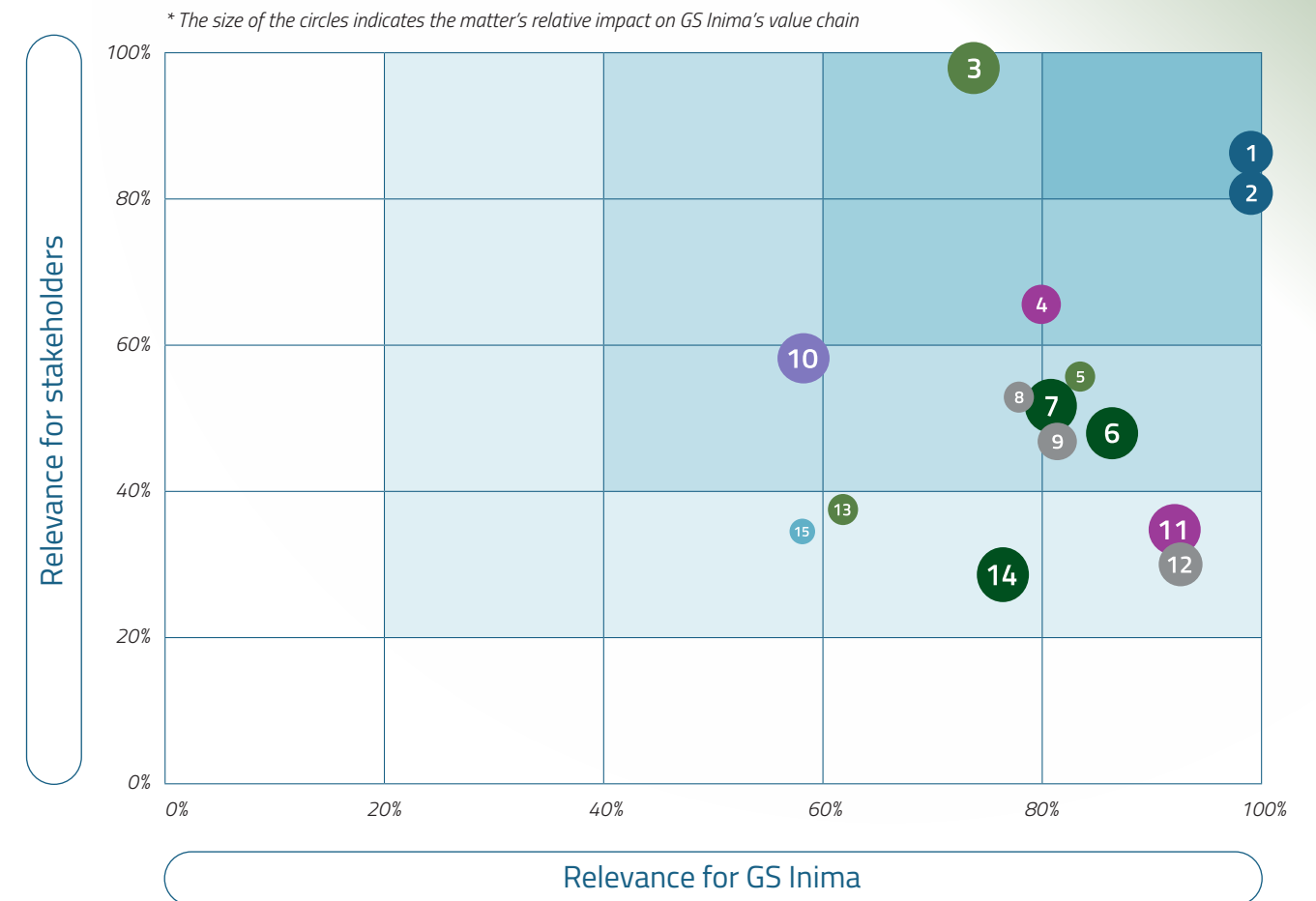
ABOUT

THIS SUSTAINABILITY REPORT



	SUPPLIERS	DESIGN & ENGINEERING	CONSTRUCTION	O&M	CLIENTS
CORPORATE GOVERNANCE AND RISK MANAGEMENT	✓	✓	✓	✓	✓
BUSINESS ETHICS, TRANSPARENCY AND COMPLIANCE	✓	✓	✓	✓	✓
RDI		✓	✓	✓	
CLIENTS AND PRODUCT OR SERVICE QUALITY			✓	✓	✓
SUPPLY CHAIN	✓				
CLIMATE CHANGE AND ENERGY EFFICIENCY	✓	✓	✓	✓	✓
WATER	✓	✓	✓	✓	✓
DISCHARGE AND WASTE			✓	✓	
BIODIVERSITY			✓	✓	
EMPLOYMENT RELATIONS		✓	✓	✓	
DEVELOPMENT OF TALENT			✓	✓	
HEALTH & SAFETY	✓	✓	✓	✓	
SOCIOECONOMIC AND CULTURAL DEVELOPMENT OF LOCAL COMMUNITIES	✓	✓	✓	✓	✓
INTERNAL AND EXTERNAL COMMUNICATIONS	✓	✓	✓	✓	✓
BUSINESS GROWTH	✓	✓	✓	✓	✓

The diagram below shows GS Inima's relevant matters:



How matters are grouped

- Developing and safeguarding talent
- Activity excellence
- Innovation and business
- Good governance, disclosure and compliance
- Responsible purchasing
- Contribution to surroundings
- Environmental commitment

Highly critical aspects

- 1 Water
- 2 Clients and product or service quality

Critical aspects

- 3 Climate change and energy efficiency
- 4 RDI

Relevant aspects

- 5 Discharge and waste
- 6 Business ethics, disclosure and compliance
- 7 Risk management
- 8 Management of talent
- 9 Employment relations
- 10 Socioeconomic and cultural development of the local community

Emerging aspects

- 11 Business growth
- 12 Health & safety
- 13 Biodiversity
- 14 Internal and external communications
- 15 Supply chain

This process will enable us to focus our forthcoming efforts on thoroughly examining the matters identified, towards their prioritization from an external and internal point of view,

always in light of variables such as the value chain involved or geographical areas where the company is present.

ANNEX I

NON-FINANCIAL REPORTING STATEMENT INDEX

Content	Page	GRI Content
Business model		
Brief description of the group's business model (business surroundings and organization)	16-17	102-2
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Main factors and trends that may affect its future evolution	16-17	102-15
Environmental issues		
Current and foreseeable effects of the company's activities on the environment	68-69	102-15, 102-29
Environmental evaluation or certification procedures	69	102-11, 102-29, 102-30
Resources assigned to environmental risk prevention	Consolidated Annual Accounts. Note 3.14	102-29
Application of the principle of caution	69-70	102-11
Amount of provisions and guarantees for environmental risks	Consolidated Annual Accounts. Note 3.14	307-1
Pollution		
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Circular economy and prevention and management of waste		
Measures of prevention, recycling, reuse, other forms of recovery and removal of waste	72-73	103-2, 306-2
Actions to fight food waste	N/A	N/A
Sustainable use of resources		
Water consumption and water supply	74-75	303-1, 303-2
Consumption of raw materials and measures adopted to improve their effective use	71	301-1
Direct and indirect consumption of energy	77	302-1, 302-4
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Content	Page	GRI Content
Protection of biodiversity		
Measures taken to preserve or restore biodiversity	79	103-2
Impact caused by activities or operations in protected areas	79	103-2
Labor and staff-related issues		
Employment		
Total number and distribution of employees by gender, age, country, professional classification	54	102-7, 102-8, 405-1
Total number and distribution of types of employment contracts, annual average of indefinite contracts, part-time contracts by gender, age and professional classification.	55	102-8
Number of dismissals by gender, age and professional classification	55	401-1
Average remuneration and performance, itemized by gender, age and professional classification	NA	No reportado
Salary gap	NA	No reportado
Average remuneration of directors and executives, including variable remuneration, allowances, indemnification, payments into long-term savings benefit systems and any other benefit itemized by gender	NA	No reportado
Implantation of "right to disconnect" policies	60	103-2
Employees with disabilities	56	405-1
Work organization		
Organization of working hours	60	103-2
Number of absenteeism hours	66	403-2
Measures to facilitate a balance between work and family life and to encourage the joint responsibility of both parents	56, 60	103-2
Health & Safety		
Occupational health and safety conditions	62-67	103-2
Occupational accidents, frequency and seriousness, itemized by gender	66-67	403-2, 403-3
Professional illnesses itemized by gender	67	403-2
Labor relations		
Organization of social dialogue	30-32, 61	102-43, 402-1, 403-1
Percentage of employees covered by a collective bargaining agreement by country	61	102-41
Balance of collective bargaining agreements in occupational health and safety matters	64	403-1, 403-4

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NON-FINANCIAL REPORTING STATEMENT INDEX

Content	Page	GRI Content
Training		
Training policies implemented	58	404-2
Total number of hours' training by professional category	58	404-1
Accessibility		
Universal accessibility of disabled persons	56	103-2
Equality		
Measures adopted to promote equal treatment and opportunities between men and women	56	103-2
Equality plans	56, 61	103-2
Measures adopted to promote employment	56	404-2
Protocols to fight sexual harassment and on the grounds of sex	56	103-2
Integration and universal accessibility of disabled persons	56	103-2
Policy against any type of discrimination	56	103-2
Respect for human rights		
Application of procedures for due care in human rights matters	45	412-2
Prevention of potential infringements of human rights and, as the case may be, measures to mitigate, manage and repair any possible abuse of these rights	45	412-1
Complaints on the grounds of infringed human rights	45	102-17
Promotion and compliance with provisions of fundamental ILO agreements	45, 61	103-2
Fight against corruption and bribery		
Measures adopted to prevent corruption and bribery	45	103-2
Measures to fight money laundering	45	103-2
Contributions to foundations and non-profit organizations	45	103-2, 201-1
Society		
Company commitments to sustainable development		
Impact of the company's activity on employment and local development	80	203-1, 203-2, 204-1, 413-1, 413-2
Impact of the company's activity on local towns and in the territory	80-85	203-1, 203-2, 204-1, 413-1, 413-2
Relations held with local community agents and the forms of dialogue adopted	30-32	102-43, 413-1
Partnership or sponsorship actions	82	102-13, 201-1

Content	Page	GRI Content
Subcontracting and suppliers		
Inclusion in the purchasing policy of social, gender equality and environmental issues	88-91	103-2
Relations with suppliers and subcontractors as regards their social and environmental responsibility	88-91	102-9, 308-1, 308-2, 407-1, 409-1, 414-1, 414-2
Supervision systems and audits and their results	90-91	102-9, 308-1, 308-2, 414-2
Consumers		
Measures for consumer health and safety	92-93	416-2
Reporting channels, complaints received and their resolution	92-94	103-2
Tax information		
Profit obtained, country by country	Consolidated Annual Accounts Note 3.18	201-1
Taxes on paid profit	19	201-1
Public subsidies received	Consolidated Annual Accounts Note 3.18	201-4

ANNEX II

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As part of its Materiality Disclosure Services, GRI Services has checked that the GRI Table of Contents is clear and, in turn, that all references to Contents 102-40 to 102-49 correspond to the sections indicated in the Report.



The service was performed on the Spanish version of the report.

GLOBAL REPORTING INITIATIVE TABLE OF CONTENTS

GRI Standard	Content	Page and/or direct response	Omission	External Verification
GRI 101: Foundations 2016				
Profile of the organization				
102-1	Name of the organization	About this Sustainability Report (pages 96-101)		Yes
102-2	Activities, brands, products and services	Business model (pages 16-17)		Yes
102-3	Location of headquarters	Back page		Yes
102-4	Location of operations	GS Inima in the world (pages 12-13)		Yes
102-5	Ownership and legal form	Consolidated Annual Accounts 1.1 Company name and tax address		Yes
102-6	Markets serviced	GS Inima in the world (pages 12-13) Business model (pages 16-17)		Yes
102-7	Scale of the organization	Our performance in figures (pages 14-15) Economic performance of the company (pages 18-19)		Yes
102-8	Information on employees and other workers	Committed to our employees (pages 52-61)		Yes
102-9	Supply chain	Committed to our suppliers (pages 88-91)		Yes
102-10	Significant changes to the organization and its supply chain	No significant changes have take place during the reported period		Yes
102-11	Precautionary Principle or approach	About this Sustainability Report (pages 96-101)		Yes
102-12	External initiatives	Cornerstones of GS Inima (pages 24-25)		Yes
102-13	Membership of associations	Participation in sector events (pages 28-29)		Yes

GRI 102: General contents 2016

GRI 102: General contents 2016

Strategy				
102-14	Statement from senior decision-making	Letter from the CEO (pages 6-9)		Yes
102-15	Key impact, risks and opportunities	Letter from the CEO (pages 6-9) Risk Management (pages 38-39) Promoting innovation (pages 46-51)		Yes
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	Cornerstones of GS Inima (pages 24-25)		Yes
102-17	Mechanisms for advice and concerns about ethics	Ethics and transparency (page 45) http://www.inima.es/es/codigo_etico_		Yes
Gobernanza				
102-18	Governance structure	Corporate governance (pages 42-45)		Yes
102-22	Composition of the highest governance body and its committees	Corporate governance (pages 42-45)		Yes
102-25	Conflicts of interest	Corporate government (pages 42-45) Ethics and transparency (page 45)		Yes
102-29	Identifying and managing economic, environmental, and social impacts	Corporate governance (pages 42-45)		Yes
102-30	Effectiveness of risk management processes	Corporate governance (pages 42-45) Risk Management (pages 38-39)		Yes
102-33	Communicating critical concerns	Corporate governance (pages 42-45)		Yes
Participation of stakeholders				
102-40	List of stakeholders groups	Communication with our stakeholders (pages 30-31)		Yes
102-41	Collective bargaining agreements	Trade union relations (page 61)		Yes
102-42	Identifying and selecting stakeholders	Communication with our stakeholders (pages 30-31)		Yes
102-43	Approach to stakeholder engagement	Communication with our stakeholders (pages 30-31)		Yes
102-44	Key topics and concerns raised	Communication with our stakeholders (pages 30-31) Materiality study (page 99)		Yes

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Practices to draft the Report		
102-45 Entities included in the consolidated financial statements	Company's economic performance (pages 18-19)	Yes
102-46 Defining report content and topic Boundaries	GS Inima's value chain (page 26) Principles to draft the Report (page 97) Materiality study (page 99)	Yes
102-47 List of material topics	Materiality study (page 99)	Yes
102-48 Restatement of information	Due to improved reporting methodology and verification of the data included in this document, some figures of previous years have been updated in order to reflect the company's actual situation.	Yes
102-49 Changes in reporting	During the 2019 financial year, GS Inima completed a purchase of a new company. The scope of these data is explained in Scope and Approach (page 127), and any change in this regard is indicated throughout this document.	Yes
102-50 Reporting period	Scope and approach (page 96)	Yes
102-51 Date of most recent report	2018	Yes
102-52 Reporting cycle	Annually	Yes
102-53 Contact point for questions regarding the report	Back page	Yes
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the Essential Option of the GR Standards	Yes
102-55 GRI Content Index	Pages 106-117	Yes
102-56 External assurance	This Report has been externally verified; see review report at page 121	Yes

GRI 102:
General
contents
2016

MATERIAL TOPICS

Categoría: Economía

Economic performance			
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its coverage	Economic performance of the company (pages 18-19)	Yes
	103-2 Management approach and components	Economic performance of the company (pages 18-19)	Yes
GRI 201. Economic performance 2016	201-1 Direct economic value generated and distributed	Economic performance of the company (pages 18-19)	Yes
	201-2 Financial implications and other risks and opportunities due to climate change	Economic performance of the company (pages 18-19)	Yes
Market presence			
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to our employees (pages 52-61)	Yes
	103-2 The management approach and its components	Committed to our employees (page 52-61)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 202. Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not reported. The company's reporting system does not include this information.	Yes
Indirect economic impacts			
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Business model (pages 16-17)	Yes
	103-2 The management approach and its components	Business model (pages 16-17)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 203. Indirect economic impacts 2016	203-1: Infrastructure investments and services supported	Business model (pages 16-17) Economic performance of the company (pages 18-19)	Yes

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GRI 103. Management approach 2016	Procurement practices		
	103-1 Explanation of the material topic and its Boundary	Committed to our suppliers (pages 88-91)	Yes
	103-2 The management approach and its components	Committed to our suppliers (pages 88-91)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 204. Purchasing practices 2016	204-1 Proportion of spending on local suppliers	Committed to our suppliers (pages 114-119)	Yes
GRI 103. Management approach 2016	Anticorruption		
	103-1 Explanation of the material topic and its Boundary	Ethics and transparency (page 45)	Yes
	103-2 The management approach and its components	Ethics and transparency (page 45)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 205. Anticorruption 2016	205-1 Operations assessed for risks related to corruption	Committed to our suppliers (pages 88-91)	Yes
	205-2 Communication and training about anticorruption policies and procedures	Ethics and transparency (page 45)	Yes
	205-3 Corruption cases confirmed and measures taken	During the 2019 financial year, GS Inima has not registered any episode of corruption	Yes

Category: Environment

GRI 103. Management approach 2016	Materials		
	103-1 Explanation of the material topic and its Boundary	Committed to the environment (pages 68-70)	Yes
	103-2 The management approach and its components	Committed to the environment (pages 68-70)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Our environmental performance (pages 71-75)	Yes

GRI 103. Management approach 2016	Energy		
	103-1 Explanation of the material topic and its Boundary	Committed to the environment (pages 68-70)	Yes
	103-2 The management approach and its components	Committed to the environment (pages 68-70)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy consumption (pages 76-77)	Yes
	302-4 Reduction of energy consumption	Energy consumption (pages 76-77)	Yes
GRI 103. Management approach 2016	Emissions		
	103-1 Explanation of the material topic and its Boundary	Committed to the environment (pages 68-70)	Yes
	103-2 The management approach and its components	Committed to the environment (pages 68-70)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Fight against climate change (pages 78)	Yes
	305-2 Energy indirect (Scope 2) GHG emissions	Fight against climate change (pages 78)	Yes
	305-3 Other indirect (Scope 3) GHG emissions	Fight against climate change (pages 78)	Yes
	305-5 Reduction of GHG emissions	Fight against climate change (pages 78)	Yes
GRI 103. Management approach 2016	Effluents and waste		
	103-1 Explanation of the material topic and its Boundary	Committed to the environment (pages 68-70)	Yes
	103-2 The management approach and its components	Committed to the environment (pages 68-70)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and purpose	Caring for water quality (page 74) Waste surveillance (page 75)	Yes
	306-2 Waste by type and disposal method	Waste management (pages 72-73)	Yes

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	Environmental compliance		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to the environment (pages 68-70)	Yes
	103-2 The management approach and its components	Committed to the environment (pages 68-70)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Consolidated Annual Accounts. Note 3.14	Yes
	Supplier environmental assessment		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to our suppliers (pages 88-91)	Yes
	103-2 The management approach and its components	Committed to our suppliers (pages 88-91)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Committed to our suppliers (pages 88-91)	Yes
	308-2 Negative environmental impact in the supply chain and actions taken	Committed to our suppliers (pages 88-91)	Yes

Category: Labor

	Employment		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to our employee (pages 52-61)	Yes
	103-2 The management approach and its components	Committed to our employees (pages 52-61)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 401. Employment 2016	401-1 New employee hires and employee turnover	Committed to our employees (pages 52-61)	Yes
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Committed to our employees (pages 52-61)	Yes

	Labor/management relations		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to our employees (pages 52-61)	Yes
	103-2 The management approach and its components	Committed to our employees (pages 52-61)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 402. Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	GS Inima establishes these prior notices based on the provisions of collective bargaining agreements applicable to its employees	Yes
	Occupational health and safety		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to health & safety (pages 62-67)	Yes
	103-2 The management approach and its components	Committed to health & safety (pages 62-67)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 403. Occupational health and safety 2016	403-1 Occupational health & safety management system	Health & Safety Committee (page 64)	Yes
	403-2 Hazard identification, risk assessment, and incident investigation	Zero accidents target (pages 66-67)	Yes
	403-4 Worker participation, consultation, and communication on occupational health and safety	Zero accidents target (pages 66-67)	Yes
	Training and education		
GRI 103. Management approach 2016	103-1 Explanation of the material topic and its Boundary	Committed to our employees (pages 52-61)	Yes
	103-2 The management approach and its components	Committed to our employees (pages 52-61)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes

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GRI 404. Training and education 2016	404-1 Average hours of training per year per employee	Management of talent (page 58)	Yes
	404-2 Programs for upgrading employee skills and transition assistance programs	Management of talent (page 58)	Yes
	404-3 Percentage of employees receiving regular performance and career development reviews	Evaluation of performance (page 59)	Yes
GRI 103. Management approach 2016	Diversity and equal opportunity		
	103-1 Explanation of the material topic and its Boundary	Committed to our employees (pages 52-61)	Yes
	103-2 The management approach and its components	Committed to our employees (pages 52-61)	Yes
GRI 405. Diversity and equal opportunity 2016	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
	405-1 Diversity of governance bodies and employees	A diverse team with the same opportunities (pages 56-57)	Yes
	GRI 103. Management approach 2016	Non-discrimination	
103-1 Explanation of the material topic and its Boundary		Committed to our employees (pages 52-61)	Yes
103-2 The management approach and its components		Committed to our employees (pages 52-61)	Yes
103-3 Evaluation of the management approach		Economic performance of the company (pages 18-19)	Yes
GRI 406. Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	During 2019, GS Inima has not registered any case of discrimination	Yes
GRI 103. Management approach 2016	Freedom of association and collective bargaining		
	103-1 Explanation of the material topic and its Boundary	Trade union relations (page 61)	Yes
	103-2 The management approach and its components	Trade union relations (page 61)	Yes
GRI 407. Freedom of association and collective bargaining 2016	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Trade union relations (page 61)	Yes

GRI 103. Management approach 2016	Child labor		
	103-1 Explanation of the material topic and its Boundary	Committed to our suppliers (pages 88-91)	Yes
	103-2 The management approach and its components	Committed to our suppliers (pages 88-91)	Yes
GRI 408. Child labor 2016	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
	408-1 Operations and suppliers at significant risk for incidents of child labor	During 2019, GS Inima has not completed any evaluation of rights of association, child labor, forced labor or any other incident related to human rights in its subcontracted operations. All activities are subject to worksite health & safety contracts to ensure compliance with the conditions affecting any employed workers. In addition, GS Inima demands that its certified contractors be up to date in their tax obligations and to have registered their employees in the social security system.	Yes
	GRI 103. Management approach 2016	Forced or compulsory labor	
103-1 Explanation of the material topic and its Boundary		Committed to our suppliers (pages 88-91)	Yes
103-2 The management approach and its components		Committed to our suppliers (pages 88-91)	Yes
GRI 409. Forced or compulsory labor 2016	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
	409-1 Operations and suppliers at significant risk for incidents of forced compulsory labor	During 2019, GS Inima has not completed any evaluation of rights of association, child labor, forced labor or any other incident related to human rights in its subcontracted operations. All activities are subject to worksite health & safety contracts to ensure compliance with the conditions affecting any employed workers. In addition, GS Inima demands that its certified contractors be up to date in their tax obligations and to have registered their employees in the social security system.	Yes

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GRI 103. Management approach 2016	Human rights assessment		
	103-1 Explanation of the material topic and its Boundary	Committed to our employees (pages 52-61)	Yes
	103-2 The management approach and its components	Committed to our employees (pages 52-61)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 412. Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	Employee training in HR (page 58)	Yes
GRI 103. Management approach 2016	Local communities		
	103-1 Explanation of the material topic and its Boundary	Committed to society (pages 80-86)	Yes
	103-2 The management approach and its components	Committed to society (pages 80-86)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 413. Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Committed to society (pages 80-86)	Yes
GRI 103. Management approach 2016	Suppliers social assessment		
	103-1 Explanation of the material topic and its Boundary	Committed to our suppliers (pages 88-91)	Yes
	103-2 The management approach and its components	Committed to our suppliers (pages 88-91)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 414: Suppliers social assessment 2016	414-1 New suppliers that were screened using social criteria	Committed to our suppliers (pages 88-91)	Yes
	414-2 Negative social impact on the supply chain and measures taken	Committed to our suppliers (pages 88-91)	Yes

GRI 416: Customer health and safety 2016	Customer health and safety		
	416-1 Assessment of the health and safety impacts of product or service categories	No material for GS Inima, based on its activity	Yes
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No material for GS Inima, based on its activity	Yes
GRI 417: Marketing and labeling 2016	Marketing and labeling		
	417-1 Requirements for product and service information and labeling	No material for GS Inima, based on its activity	Yes
	417-2 Incidents of non-compliance concerning product and service information labeling	No material for GS Inima, based on its activity	Yes
	417-3 Incidents of non-compliance concerning marketing communications	No material for GS Inima, based on its activity	Yes
GRI 103. Management approach 2016	Socioeconomic compliance		
	103-1 Explanation of the material topic and its Boundary	Committed to our suppliers (pages 88-91)	Yes
	103-2 The management approach and its components	Committed to our suppliers (pages 88-91)	Yes
	103-3 Evaluation of the management approach	Economic performance of the company (pages 18-19)	Yes
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	During 2019, GS Inima has not been ordered to pay any significant fine for a regulatory breach related to the supply and use of products and services	Yes

ANNEX III

RELEVANT EVENTS SUBSEQUENT TO YEAR-END

The outbreak of COVID-19 in China in January 2020 and its recent global expansion to a large number of countries, have resulted in this new virus being classified as a pandemic by the World Health Organization since 11 March 2019.

Spain is the country, where the Group is present, which is being hit most hard by COVID-19. Specifically, in Spain, Royal Decree Law 10/2010, of 29 March, included water supply, purification, distribution, treatment as drinking water and sanitation as essential activities that needed to continue and would not be affected by limitations on movement contemplated in this Royal Decree.

In order to avoid the virus impacting persons and their surroundings, GS Inima has established the following measures:

- Employees are recommended to work from home, whenever possible.
- In line with national and international guidelines, at all facilities that are still operating, appropriate health & safety measures have been taken to reduce the risk of employee exposure and avoid the spreading of the virus.
- The Group's Directors and Management are still constantly supervising how the situation evolves, in order to successfully handle any potential financial and non-financial impact that may arise.

Thanks to the measures adopted, GS Inima considers that no material impact will arise. Nevertheless, due to the uncertainty of the situation, it is still early to provide a detailed valuation or to quantify the potential impact that COVID-19 will have on the Group. As the situation gradually evolves, a more detailed analysis of the circumstances will be completed.





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