

Annual Report

2019



*Cooking
our
future*

GIA[®]



The
ingredients
of
Success



Annual Report

2019



*Cooking
our
future*

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Chief Operating Officer

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Pablo Rivera
President of Architecture

José Garay
President of Tenant Improvements

Jesús Aragón
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GIA

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GIA

The background is a light-colored wooden surface with a vertical grain. Fresh green herbs are scattered around the edges: a leafy herb in the top left, a bunch of flat-leafed parsley in the top right, a sprig of rosemary in the bottom right, and a sprig of thyme in the bottom left.

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The recipe for success



Over the years, GIA has proven to be an innovative and committed company that strives to uphold its name in both Mexico and abroad. Like Mexico's wonderful cuisine, we take pride in our 100% Mexican roots and are recognized for our creativity, quality, and excellence.

Hipólito Gerard
CHIEF EXECUTIVE OFFICER

The year 2019 was laden with innumerable challenges, difficulties, and obstacles, yet none of them stopped us. In adverse situations, our creativity, persistence, and hard work have helped us find opportunities to stand out and excel. We aim to execute new, sustainable, cost-effective, and high-quality projects that make us proud and have a positive impact, benefiting the communities in which we operate.

At GIA, we are open minded as we seek new and innovative strategies. We should follow the example of successful Mexican restaurateurs: trusting that we boast the best teams and techniques; securing the highest quality for our products; and offering top, international-quality services.




Today, our focus is on internationalizing our company. Just as Mexican cuisine has triumphed in the world, I have no doubt that GIA is prepared to compete on the same level as other great, international companies, reinforcing our ability to export our business model. With projects as important as those in Honduras and Chile, we are beginning to witness this strategy's positive results.

Another of our priorities is to create spaces and opportunities for youths as we train and motivate them with new ideas and ways of seeing the world. In our kitchen, we are preparing GIA's leaders of tomorrow to ensure that our company remains relevant in a world of accelerated change.

Our work would not be complete without the human sense that distinguishes us, as well as our commitment to a culture of sustainability and social responsibility, because that is what we believe in. Through Fundación GIA, we have boosted development in the communities where we work and have contributed to several causes and organizations through our constant donations.

We work with the firm belief that our company stands out among the crowd, following the recipe for success: quality services, a positive attitude and attentiveness toward our clients, and reliability in upholding our commitments. To succeed, we must make sure to create emblematic projects that can be executed flawlessly, impressing our clients and ourselves. We will not stop envisioning the future and working to make all our projects a reality.

Ensuring Transcendence.



At GIA, centennials, millennials, Gen Xers, and baby boomers work together. Indeed, successfully managing this company and its projects requires collaboration among all of these generations.

Born before 1970, Baby boomers—the generation that founded GIA—are known to seek stability at the workplace: they do their jobs faithfully but are less inclined toward innovation. Baby boomers value the time and experience they dedicate to their work, and they appreciate status, responsibilities, and hierarchies. One could call us conservative and risk averse.



Forge Iturbe

CHIEF OPERATING OFFICER

GIA also relies on workers from Generation X—born between 1970 and 1980. This generation was brought up in an individualistic, ambitious, and "workaholic" culture.

Meanwhile, the millennial generation, or Generation Y—born between 1980 and 1999—has witnessed the digital revolution, to the point that nearly all their activities require a digital gadget, be it a smartphone, PC, tablet, or HD screen. Millennials emphasize meaningfulness in their work and prefer creativity and immediate feedback. They live consumerist lifestyles, while worrying about future generations.

To top it off, centennials—or Gen Zers born after 1999—are starting to become a part of the workforce, too. This generation came to the world with a tablet and smartphone in hand. We have yet to discover their workstyle, but they certainly live and will continue to live in a globalized and increasingly digital and virtual world, with powerful technological tools. It's in their DNA.

At GIA, we are aware of the imperative and imminent need to prepare our company for transition and generational change. We know that we must pass the torch to the new generations, since, today, Gen Xers and baby boomers still operate as decision makers.

How can we strike the right chord at our company? How can we merge the experience of baby boomers with the drive of Gen Xers, the technological abilities of millennials, and the enthusiasm and transformative powers of centennials?

With all of their experience, baby boomers possess greater clarity in terms of challenges and risks—it's a simple consequence of everything they have already lived through. Generation X heavily contributes to getting things done, thanks to their drive and strength. Millennials basically act as the interface between previous generations—baby boomers and Generation X—and digital technologies, allowing companies to evolve and streamline their processes. Meanwhile, centennials will soon transform not only their companies, but the world, by introducing new and fresh ways of thinking.

If we want our company to stay relevant, we have to meticulously plan for a generational transition in every sense. We are certain that, at a company like GIA, we have to transcend beyond our founders, beyond those who grew the company, and beyond those who run GIA today. The key to this is simple: the new generations have to assume greater responsibilities, train to succeed, make decisions, and commit to constant improvement.

At GIA, we are implementing a formal program to transfer responsibilities to the new generations, focusing on those who demonstrate their abilities, talents, and enthusiasm to take the lead as we face the challenges of the future. Our younger cohorts at GIA should rest assured that this process, which we are taking on with utmost professionalism, will allow them to manage this company in a few years. We current directors understand and are convinced of the fact that Grupo GIA will soon be in their hands.

Every generation has its strengths. At GIA, all of us work together day after day and need to learn from each generation to ensure our transcendence and evolution indefinitely. We do not know what the future has in store, but we will certainly be around for many more years to come.



Construction Services



Over the years, we have highlighted a wide variety of relevant topics: adapting to change, internationalization, innovation, and other ways of continuously improving GIA. Today, instead of adding one more topic to our list, I believe a brief pause is in order: we should look back and consider everything GIA has achieved.

Juan Antonio Paniagua

In terms of adapting to change, at the end of last year, we defined and implemented a strategy that I would call a success, as 2019 stood as one of GIA's best years in terms of contracting. We won 24 of the 100 contests in which we participated, for a value of 3.5 billion pesos and 265,000 m² of construction among the Urban Construction and Tenant Improvements divisions, on top of the 45 km project taken on by the Heavy Construction Division.

Last year, we mentioned the internationalization of our operations, with the goal of diversifying our risk across several countries. These efforts have translated into new lines of action and alliances that are sure to bring new contracts in the short and medium term. Our collaborators have successfully entered the Colombian market, where we have already prepared three competitions: two concessions and one public work.

Furthermore, the Building Information Modeling (BIM) methodology we mentioned two years ago is now a reality for GIA projects. We have created our own BIM protocol, allowing us to unify modeling criteria in the Architecture and Urban Construction areas.





Architecture

Pablo Rivera



It is public knowledge that investment in property development dropped on a national scale this year. At the local level, Mexico City felt the effects even more. With this backdrop, we have concentrated our efforts on finding new clients and diversifying beyond Mexico City.

Our first success of 2019 was the development of Cumbres de Herradura: an urban complex with 720 apartments. We started with a Master Plan and a 120-apartment building, which will encompass 22,000 meters in construction. This highly dense site is being edified on complicated topography.

Despite the country's low-investment landscape for development, our department also took on the Flamingos RC-6 Development, a three-phase project with 70 apartments each. We created the master plan and executive project for the first phase of apartments, with an area of approximately 12,000 square meters. Our landscaping for this project includes swimming pools, tennis courts, and other amenities—a challenge our team is excited to tackle.

At a time when our company has diversified its corporate strategy toward Central and South America, the Architecture Division will have to bolster its efforts in terms of local alliances and technology use. We are working constantly to improve our technological capabilities, with an emphasis on Building Information Modeling programs. We trust that our efforts will allow us to embark on international projects with confidence.





Cumbres de Herradura

Client:
Grupo Gwep

Location:
CDMX, Mexico



Desarrollo Flamingos

Client:
Consortio Hogar

Location:
Nuevo Vallarta,
Nayarit





Torre Cabo

Client:
Real del Mar

Location:
Cruz de Huanacastle,
Nayarit



Tenant Improvements

José Garay



In today's complicated environment and economic slowdown, the Tenant Improvements Division has persistently led the market. Our project contracts have continued to climb throughout the year, as we strive not just to meet requirements, but to impress our increasingly demanding clients.

One of our main successes of 2019 was, without a doubt, the signing of an IKEA contract for the construction of its first store in Latin America, which will take up 25,000 square meters. This is an extraordinary opportunity for us to diversify our markets and incur in the retail sector, hand in hand with a company that has proved willing to invest.

Some of the most outstanding projects we have taken on include the following: Citibanamex Presidencia (5,000 m²), Citibanamex Ola 2 (11,000 m²), WeWork Interlomas (3,000 m²), Akia (1,000 m²), Banca Mifel Toluca (3,000 m²), Nissan (15,000 m²), Scotiabank (25,000 m²), Interprotección México (3,000 m²), Interprotección Tijuana, Monterrey, Guadalajara y Mérida (1,000, 800, 800 y 1000 m², respectively), BlackRock (2,000 m²), Atio Group (2,000 m²), Mifel Mazarik (7,000 m²), Notaria 102 (800 m²), BMW (3,500 m²), Asociación de Distribuidores BMW (600 m²), Hotel Constellation Brands (5,000 m²), Ifa Celtics (1,500 m²), Procter and Gamble (5,000 m²), Jafra (15,000 m²), Duff and Phelps (2,000 m²), Wipro (2,000 m²).

We trust that the Tenant Improvements Division has what it takes to seize the opportunities the future holds. More importantly, we have created a motivated team that is eager to succeed. The future will shine bright, so long as our team strikes the right balance between process and results.





Akya



Nissan



Asociación de Distribuidores BMW



Atio Group



Banca Mifel



Interprotección MÉRIDA



Banca Mifel TOLUCA



Black Rock



Citibanamex



Citibanamex
OLA 2

BMW



Duff & Phelps



Jafra



Ifa
Celtics



WeWork
INTERLOMAS



Ikea



Urban Construction



In 2019, we took on highly complex projects, and I do not doubt that our notable planning and construction-implementation processes, as per GIABOK, were essential to the year's success. One of the most important achievements of the year was what was done at the Government Civic Center in Honduras.



Jesús Aragón

Managing a project of this size, in another country, has posed its challenges, but with our highly qualified personnel, the buildings in the project were 95% complete by the end of 2019. We have completed four of the five buildings, as well as parking areas and outside buildings. It is worth noting that, at the beginning of this year, our contract was broadened, and we are now building one additional building, on top of the five for which we were originally contracted. We will thus build 208,000 square meters, with 100,000 square meters in interiors. Given our broadened contract, we are poised to finish 100% of the project by the first semester of 2020.

We continued our construction of Parque Norte Residential Complex for our client Consorcio Hogar, completing phase 5 of 11 this year. Each phase consists of approximately 14,600 square meters, with a 12-story building including 96 apartments and a parking structure. We also built a 1,960-meter Club House to serve the entire development. Currently, we are building phase 6, which is about 80% complete, while we prepare to launch phase 7.

In August, we won a construction contract that will bring interesting challenges of its own: the remodeling and expansion of the Merida Airport (phase 1), for our client ASUR. We have already completed more than 45 percent of this project, which involves an estimated

32,000 square meters. We are also proud to mention that we won the construction contract for this project's second phase, meaning we plan to work on the airport for the next 27 months to complete the remodeling and expansion project in full.

Around the middle of the year, we also won contracts for the foundation and structure of two significant real-estate projects. The first is Torre Arbia Santa Fe, a 24-story building with four basements, comprising 34,100 square meters of construction. The second is Aleden Puerta, in Guadalajara, a two-building project: one four-story building for offices and commercial purposes and one 12-story apartment building, for a total of 42,800 square meters of construction.

Without a doubt, our greatest feat of the year was the signing of three new private-sector contracts for clients as significant as ASUR, Grupo DINE, and INDEA Desarrollos. Meanwhile, our most significant challenge ahead will be the acquisition of new projects in Mexico's increasingly competitive and restricted market. New projects will allow us to secure our work team's continuity and meet our company's growth goals.

Despite today's economically tight landscape, we know that if we adapt quickly, we can guarantee success. Our experience, reputation, and process management make us highly competitive in new markets.





**Terminal
Aeropuerto
Internacional de
Mérida**

Client:
Grupo ASUR

Location:
Merida, Yucatan



**Centro Cívico
Gubernamental de
Honduras**

Client:
División de
Concesiones (GIA)

Location:
Tegucigalpa,
Honduras



**Aleden, Puerta en
Guadalajara**

Client:
INDEA and Grupo LEAC

Location:
Guadalajara, Jalisco



Hospital Salvador Geriátrico

Client:
División de Concesiones (GIA)

Location:
Santiago de Chile



Parque Norte

Cliente:
Consortio Hogar de Occidente

Ubicación:
Cuautitlan Izcalli,
Estado de Mexico



Torre Arbia

Cliente:
Grupo DINE

Ubicación:
Santa Fe,
Ciudad de Mexico



Heavy Construction



This year, our division has faced broad challenges, given the limited yet competitive market that has followed the recent government changes in Mexico. Nonetheless, we have moved forward thanks to our new clients, who have acknowledged GIA's excellent results in today's competitive market, and by adapting to new ways of working.

César Iza



In 2019, we took on a 20-kilometer renovation of the Querétaro-Irapuato Highway for Banobras, as well as the construction of two kilometers of pipeline, measuring 1.07 meters in diameter. We also built 25 manholes as well as special crossings for the San Lucas Collector project in the county of Xochimilco. Currently, we are repaving 23 kilometers of the México-Querétaro Highway for Caminos y Puentes Federales (Federal Roads and Bridges).

The key to maintaining our contract rate—both public and private—is our commitment to delivering results within quality and time standards.

We cannot gloss over the hard work that the past government's exit, and its administrative conclusion, has implied. While the process has turned out to be long and complicated, we expect to finish our adjustments soon.

At Heavy Construction, we are optimistic about the future and strive to reinforce our work teams while training the generations to come.







**Autopista
México-Querétaro**

Client:
Camino y Puentes
Federales

Location:
Estado de Mexico-
Queretaro, Mexico



Colector San Lucas

Cliente:
SACMEX

Location:
Xochimilco,
Ciudad de Mexico





**Autopista
Querétaro-Irapuato**

Client:
Banobras

Location:
Querétaro-Guanajuato,
Mexico



Energy



Within the framework of the GIA-Kiewit alliance, at the Energy Division, we are committed to consolidating Mexico's most important Engineering, Procurement, and Construction projects. We are continuing to integrate GIA's experience with Kiewit's recognized know-how, and our efforts to better coordinate the two have led to successful projects. The first of these is the Los Ramones Energy Center, which we took on for our client Invenergy/Enesa to build an open-cycle plant with a 650-megawatt capacity. To date, our execution has been meticulous, despite challenges such as the complex logistics involved in importing and installing large turbines that need to be transported through roads in subpar conditions.

The second project we conducted this year was the León Guzmán-Cenagas Natural Gas Measurement and Control Station for our client Fermaca, with a capacity of 1 million cubic feet per day. We aim to position ourselves as Fermaca's preferred EPC company and work alongside our client as it takes on significant natural-gas transportation projects in Mexico.

We know that electric-energy generation in the country requires urgent investment: in fact, Mexico's installed generation capacity will need to double over the next 13 years, implying that a multiplicity of projects will need to launch. Our team is ready to participate in electricity generation sourced from gas combustion as well as renewable wind and solar energy.

Daniel Galicia



It is worth mentioning that, in Mexico, there is still a need to import fuel, requiring that we develop the proper infrastructure, including new ducts and storage and distribution terminals, to satisfy our country's great demand.

In sum, we see a future with plenty of opportunities and are ready to lead the energy industry, both in the private market and in the government sector.





Estación de Medición y Control de Gas Natural León Guzmán-Cenagas

Client:
Fermaca

Location:
Durango, Mexico





**Los Ramones
Energy Center**

Client:
Invenergy/Enesa

Location:
Los Ramones,
Nuevo León



Concessions

Forge Moguel



In 2019, the Concessions department placed a special emphasis on our company's internationalization plans, seeing significant progress this year, especially in our projects in Honduras and Chile.

Without a doubt, our greatest success of the year was the commissioning, culmination, and preoperation of the initial phases of the Honduras Government Civic Center. Our highly professional team has worked to satisfy our client's needs, without losing sight of financial requirements. This project will allow GIA to diversify its income structure: with a contract in dollars, we can hedge against macroeconomic changes.

Meanwhile, our production at the Geriatric Salvador Hospital in Chile is progressing smoothly. This highly complex project is currently 10% complete, despite the initial challenges. We will now continue according to the program, having navigated the social and political crises that broke out in Chile in 2019. While said crises made an impact on our work for several weeks, we are currently working at capacity. Building a hospital is no easy feat, to begin with, plus the project stands in the middle of the city of Santiago, on a plot whose limited dimensions pose additional tests in terms of logistics. We are building approximately 170,000 square meters, with 641 beds and 26 operating rooms. We expect to continue construction for another three years. The first challenge we face involves completing the foundations by the start of next year. In just one more year, we should be finishing the structures for all three buildings: The Geriatric Salvador Hospital in Chile, the Open-Care building, and the National Geriatric Institute building. All

three areas are connected at the street level, with one service floor and two parking levels. This grand project, whose first stage we will conclude within a two-year timeframe, will involve a 450-million-dollar investment, positioning us among the largest infrastructure players in Latin America.

Our work in Chile has opened the door to great companies, investment funds, and providers around the world. Without a doubt, this is a great leap for GIA. Given our experience, we know we cannot limit ourselves to what we already know. Instead, we need to seek new markets.

To this end, we have reorganized our Concessions department on three fronts: one is in charge of Mexico, another tackles the Southern Cone (Chile and Uruguay), and, lastly, we created a division we have called the Northern Cone (Colombia, Peru, and Central America). We are already participating in several project auctions, including bids for an Administrative Center and several hospitals, both in Colombia and Chile. We are also looking into highway projects and an educational infrastructure project in Panama. With quality proposals and high standards, we are certain that we will continue to take on social infrastructure projects throughout Latin America.







**Clínica Hospital
de Mérida**

Client:
ISSSTE

Location:
Yucatan, Mexico





Centro Cívico Gubernamental de Honduras

Client:
Gobierno de Honduras

Location:
Tegucigalpa, Honduras



Hospital Salvador Geriátrico

Client:
MOP Gobierno de Chile

Location:
Santiago de Chile



Concession Operations

The Concession Operations Division consolidated four projects in 2019: The Highly Specialized Regional Hospital in Ixtapaluca; a Social Infrastructure Project in Oaxaca; the Obregon City Highway; and the ISSSTE Hospital Clinic in Merida, which began operations little over a year ago.

Juan Paulo Mendoza

One of the clients we are most proud of is ISSSTE, Mexico's Institute for Security and Social Services for State Workers, for which we built the Clinic-Hospital of Merida. Our team earned several recognitions for this project, including a LEED v4 Certification for Building Design and Construction, the H Distinction for Cafeterias and Eateries, and an ISO 9001:2015 Certification in Maintenance and Hospitality Support Operations. We have also prequalified for the LEED v4 Certification in Operations and Maintenance of Existing Buildings, GOLD level, and will receive our official certification in May 2020.

Another important project that has earned our department praise is the Highly Specialized Regional Hospital in Ixtapaluca. This is the first APP hospital to receive and uphold its Great Place to Work certification, as well as an ISO 9001:2015 Certification.

You may ask how we have earned these results. It's simple: we keep our work teams motivated. To reach this level of encouragement, we invoke the GIA Spirit, which invites us to view every new day as both a challenge and an opportunity for excellent teamwork.

Our team in charge of the Social Infrastructure Project in Oaxaca also boasts extraordinary results. The ISO 45,001/2018, which the team earned in October, attests to the quality of our results. On top of this, we won third place among companies with 50 to 300 employees in the Great Place to Work category. We are also proud of

the positive water cycle we developed, injecting the first 5,000 cubic meters of excess treated water into an absorption well.

We must also consider our one-of-a-kind PPP project: the Honduras Government Civic Center. We are still working on this complex creation and estimate that, between December of 2019 and April of 2020, we will begin pre-operations in 100% of the Civic Center's buildings. This Center constitutes 200,000 square meters, with space for 10,000 government employees.

At the Concession Operations Department, we know that, in every challenge, lies an opportunity. Speaking of opportunities, our new company, WeServ, a Facility Services enterprise, will launch operations on April 1st, with more than 600 employees.

GIA has not only proved itself a great construction company but has also become an extraordinary infrastructure operator. Now, more than ever, we are prepared to turn each of our projects into an excellent experience.







**Centro Cívico
Gubernamental de
Honduras**

Client:
Gobierno de Honduras

Location:
Tegucigalpa, Honduras



**Desarrollo y Operación
de Infraestructura
Hospitalaria de
Ixtapaluca**

Client:
Secretaría de Salud

Location:
Ixtapaluca,
Estado de Mexico





Desarrolladora y Operadora de Infraestructura de Oaxaca

Client:
Secretaría de Seguridad y Protección Ciudadana

Location:
Oaxaca, Mexico



Clínica Hospital ISSSTE Mérida

Client:
ISSSTE

Location:
Yucatan, Mexico



Social Responsibility





A Message from the Director

This is the ninth social responsibility report we have presented as per the Global Reporting Initiative's (GRI) guidelines. In 2019, we continued working to strengthen our liaison programs within the sustainable development goals' framework.

In our foundation, empathy, solidarity, respect, inclusion, and commitment are the key ingredients to creating the best recipes for our interest groups.

Our commitment to society continued to crystallize through the initiatives that Fundación GIA took on this year. With a total of 2,530 direct and 10,504 indirect beneficiaries of our donations to institutions; in four states of the republic; with 75 volunteers; and 5,300 man-hours, our foundation has upheld its yearly commitments. Among the projects we took on, we could highlight the multi-sport field for the Highly Specialized Regional Hospital in Ixtapaluca, the building of a terrace and multi-use hall for the House of the Good Samaritan (Casa del Buen Samaritano) and our support for education, culture, and sports via sponsorships.

We received several recognitions accrediting the company's performance: we have been members of the United Nations Global Compact for the last ten years, a CEMEFI Socially Responsible Company for the last nine years, and have been recognized as one of the Best Mexican Companies by Citibanamex, Deloitte, and the university Instituto Tecnológico de Monterrey for the eighth time. To top it off, one of our concessions operations was recognized as a Great Place to Work in Latin America.

This is my opportunity to share the details of the activities we took on this year, which stand as proof of our commitment to contributing to the wellbeing and development of the communities where we operate.

We are proud of these successes, which have motivated us to continue striving for the common good.

Hipólito Gerard Rivero
CHIEF EXECUTIVE OFFICER

About This Report

This report provides information on GIA's main economic, social, and environmental activities throughout the year 2019. This is our first report under the Global Reporting Initiative (GRI) methodology using the Core option.

GRI 102-1 **Name of the organization** | Constructora y Edificadora GIA+A, S.A. De C.V.

GRI 102-2 **Activities, brands, products, and services** | See Index in the Annual Report

GRI 102-3 **Ubicación de la sede** | Insurgentes Sur 553 piso 1, Col. Escandón, CP 11800, Alcaldía Miguel Hidalgo, CDMX

GRI 102-6 **Markets served**
 GIA is a Mexican company leading comprehensive projects in the construction, concessions, and infrastructure- and energy-operation industries (see the Index in our Annual Report).

GRI 102-4 **Location of operations**



GRI 102-7 **Scale of organization**

GRI 102-8 **Information on employees and other workers**

Average age:
39 years

68%



Average age:
35 years

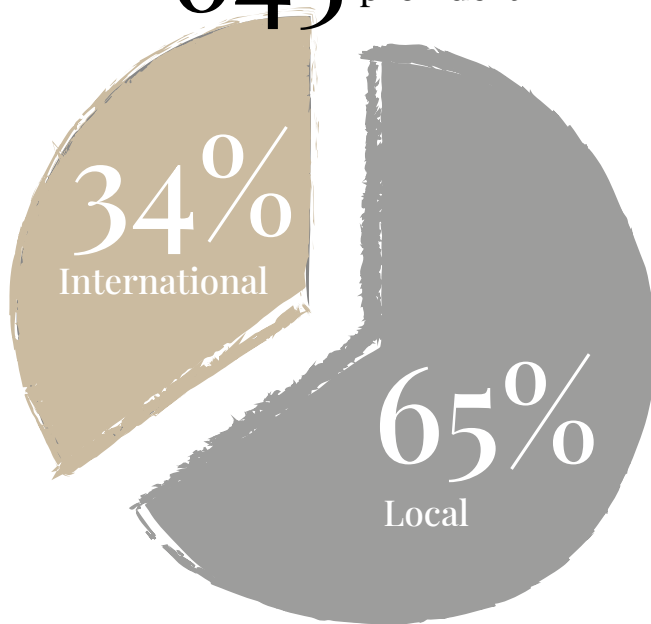
32%





Supply chain

645 providers



Precautionary Principle or approach

With risk management, we aim to understand the limits and risks involved in our projects by identifying restrictions and exposing potential interferences in project execution. The project director and/or manager is responsible for defining and documenting risk-prevention plans.



External initiatives

GIA has been a part of the UN Global Compact for the last eight years. As members, we have committed to integrating its ten principles on human rights, labor standards, anticorruption, and the environment within our management.



We have been members of the U.S. Green Building Council (USGBC) for nine years, allowing us to promote sustainable construction.



Membership of associations

AMAC	Mexican Asphalt Association
AMEDIRH	Mexican Association for the Management of Human Resources
AMIC	Mexican Association for Corporate Interior Design
AMIVTAC	Mexican Association for Land-Route Engineering
CMIC	Mexican Chamber for the Construction Industry
Grupo IPC	Engineering, Contracting and Construction
PDNU	United Nations Global Compact
USGBC	United States Green Building Council



Statement from senior decision-maker

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Key impacts, risks, and opportunities

Our main risks include the following:

- Price increases in construction material
- Missed construction-material deliveries
- Construction-material theft
- Personnel rotation
- Economic crises
- Disloyal competition



Values, principles, standards, and norms of behavior



- Ethics:** We work with honesty, transparency, loyalty, and consistency.
- Commitment:** We meticulously uphold the value proposals we make to interest groups.
- We value our people:** We show respect and value our team by promoting a sense of collaboration, enthusiasm, and trust.
- Quality:** We provide our clients with products and services that diligently meeting quality standards.

- Collaborative work:** We constantly seek out best practices by boosting synergies, connections, and active participation among collaborators.
- Discretion:** Our strong organizational image is built upon firm and respectful behavior.

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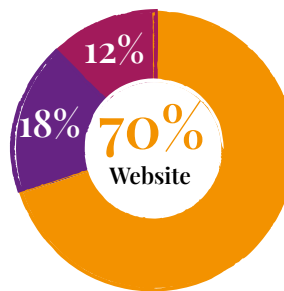
GIA’s Ethics Code guides our behavior with principles of integrity, professionalism, and respect. (www.gia.mx/es/código-de-ética)



Mechanisms for advice and concerns about ethics

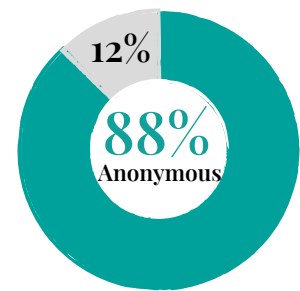
The Ethics Code is the behavioral guideline for our collaborators and is based on our values: integrity, professionalism, transparency, and respect. The Code is available for consultation on our Website.

Whistleblowing Means



- Website: 24
- Telephone: 6
- E-mail: 4

Anonymity



- Anonymous: 30
- Non-anonymous: 4

The campaign “Playing Fair” allows our collaborators, providers, and any other person to engage in the whistleblowing of unethical behavior. Through the anonymous-tips platform managed by the consulting firm Deloitte, the Ethics Committee can take measures to safeguard ethics as a way of life at our company.

www.gia.mx/es/juguemos-limpio



Governance structure

<http://www.gia.mx/es/gobierno-corporativo>

GRI
102-19**Delegating authority**

The Administrative Council is GIA's top decision-making organ. The council's policy is to delegate ordinary business management to the team of directors and instead focus on supervision activities, which include evaluating the directors' managerial performance as well as making those decisions that are most relevant to GIA. The council oversees the fulfillment of ethical obligations as well as our relationships to interest groups.

GRI
102-21**Consulting stakeholders on economic, environmental, and social topics**

We recognize and reach out to our interest groups in order to uphold harmonious relationships, as these groups are essential to our organization.

Interest Group	Expectation	Communication Channel		Frequency
		Input	Output	
Shareholders	Minimize risks Keep informed	Administrative Council Committee meetings	Committee minutes	Continual
Collaborators	Safety Development Transparency Recognition Commitment	Organizational climate Suggestion mailbox Anonymous tips	GIA Communication Website EnerGIA Blog Anonymous tips Follow-up report Annual information meeting Training	Continual
Clients	Company reputation Service quality Contract fulfillment	Contracts Follow-up minutes Client satisfaction surveys Anonymous tips	Annual reports Annual information meeting	Continual
Community	Transparency Improved dialogue**	Specific project requirements Anonymous tips	Corporate and Project Liaison Plan	Continual
Providers	Facilitate alliances Transparency	Anonymous tips	Website Provider ethics code Annual report	Continual
NGOs	Establish alliances**	Needs Detection	Meetings with NGOs	Annual

**In development



Composition of the highest governance body and its committees

HIPÓLITO GERARD RIVERO – Chief Executive Officer
 JORGE ITURBE GUTIÉRREZ – Chief Operating Officer
 JUAN ANTONIO PANIAGUA – President of Construction Services
 PABLO RIVERA – President of Architecture
 JOSÉ GARAY – President of Tenant Improvements
 JESÚS ARAGÓN – President of Urban Construction
 CÉSAR IZA – President of Heavy Construction
 DANIEL GALICIA – President of Energy
 JORGE MOGUEL – President of Concessions
 JUAN PAULO MENDOZA – Director of Concession Operations
 ANTONIO CASILLAS – President of Business Development
 FERNANDO QUIROZ – Chief Financial Officer
 PEDRO JIMÉNEZ – Director of Administration
 EDITH REDDING – President of Human Resources
 MIGUEL CUÉ – Legal Council
 LUIS MÁRQUEZ – President Corporate Service Management



President of the highest governance body

HIPÓLITO GERARD RIVERO – Chief Executive Officer



Conflicts of interest

<http://www.gia.mx/es/politicaintegridad>
<http://www.gia.mx/es/código-de-ética>



Role of highest governance body in setting purpose, values, and strategy

<http://www.gia.mx/es/gobierno-corporativo>



Collective knowledge of highest governance body

Our planning, finance, ethics, risks, human capital, and social responsibility committees aid the Administrative Council’s functions and provide support with decision making in several areas. These committees may seek consultants, directors, collaborators, and external advisors for certain consultations and relevant opinions, when necessary.



Identifying and managing economic, environmental, and social impacts / Effectiveness of risk management processes

Each department is responsible for identifying and following-up on risks to their business, both internal and external. Departments are also responsible for management, including of social and environmental aspects.



Review of economic, environmental, and social topics

The Executive Committee meets with representatives from the group’s departments approximately once per quarter to review progress in strategic planning as well as various social and environmental initiatives, when necessary.



Highest governance body’s role in sustainability reporting

The Social Responsibility area is in charge of compiling sustainability information for the Annual Report, with data approved by the Executive Committee.



Communicating critical concerns

<http://www.gia.mx/es/gobierno-corporativo>



Remuneration policies

Benefits Plan

	MEXICO	CHILE	COLOMBIA	HONDURAS
		Comments	Comments	Comments
End of year bonus	+	+	+	+
Vacation	+	+	+ 15 business days per year	+
Vacation bonus	+			
Saving Fund	+		+ Unemployment. One salary a year with cut to December 31	
Social Security	+		+ Food allowance vouchers	
Other guaranteed payments 1		+ Meal bonus		+ 140. Mes
Other guaranteed payments 2		+ National-holiday bonus		
Other guaranteed payments 3		+ Transport costs		
Performance bonus	+			+
Profit sharing	+	+ Gratificación Legal 4,75		
Sales incentives				
Long-term incentives	+ *			
Pension plan - Defined contribution	+ ***	+ ***	+ ***	+ ***
Pension plan - Defined benefit	+ ***	+ ***	+ ***	+ ***
Major medical expenses	+ *			+
Medical exam	+ *			
Life insurance	+		+	+
Cafeteria	+ **			
Car assignment				
Educational assistance				
Flexible benefits				
Shared benefit	One month of income that will be divided into two payments, one in January and one in July of each year. Who today participate in the executive bonus plan will have right to a benefit equivalent to a fortnight of net amount			

* For some levels

** Only in offices

*** There is no private plan



List of stakeholder groups

See GRI 102-21



Identifying and selecting stakeholders

See GRI 102-21



Approach to stakeholder engagement

See GRI 102-21



Entities included in the consolidated financial statements

See page 56



Defining report content and topic Boundaries

See page 40



List of material topics

	COVERAGE	
	Internal	External
Material affairs		
Economic growth	■	
Ethics and transparency	■	■
Contract fulfillment	■	■
Process improvement	■	
Health and safety	■	
Collaborator development	■	
Community relationships	■	■
Relationships with NGOs		■
Environment	■	■

** The scope of material aspects is limited to activities that are directly executed by the company with its interest groups.



Restatements of information

Our 2018 Annual Report presented G4-version indicators but did not include Concession Operations as an independent Division, as this was formerly part of the Concessions Division.



Changes in reporting

Compared to our 2018 Annual Report, there have been no substantial changes in terms of our scope and material topics for sustainability.



Reporting period

The information in this report spans from January 1 to December 31, 2019.



Date of most recent report

Our last report covered the year 2018 and was published in 2019.



Reporting cycle

Annual.



Contact point for questions regarding the report

Communications Management
claudia.deschamps@gia.mx



Claims of reporting in accordance with the GRI Standards

This report has been drafted according to the GRI Standards' Core option.



GRI content index

The Social Responsibility section of this annual report provides an index (table of contents).



External assurance

Our financial information is verified via approval from the Administrative Committee. Information on operations, including social and environmental aspects, is reviewed by members of the Executive Committee.



Explanation of material topic and its Boundary

Material topics constitute areas in which our interest groups see the potential for our organization to have a positive or negative impact.



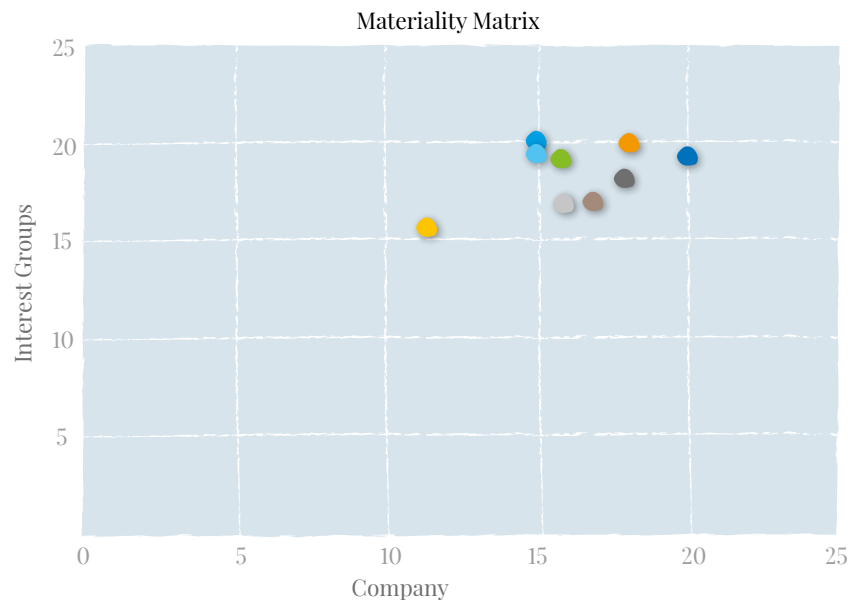
The management approach and its components

MATERIALITY

Based on the GRI methodology, we identified the most important material affairs for our interest groups:

IMPACTO PARA GIA					
	ECONOMIC		SOCIAL		ENVIRONMENTAL
	Market presence		Human rights	9	Environment
4	Process improvement	7	Community relationships		
2	Ethics and transparency	5	Labor health and safety		
1	Profitable growth	6	Collaborator development		
3	Contract fulfillment	8	Relationships with NGOs		
			Education		

Interest Groups		
1	15	19
2	18	20
3	16	17
4	12	16
5	15	20
6	16	19
7	20	19
8	17	17
9	18	18



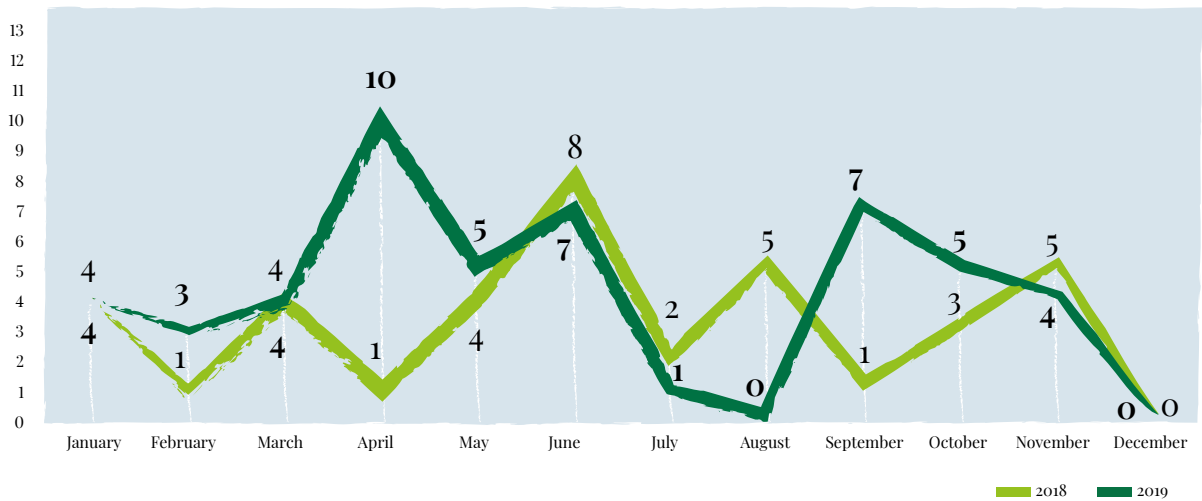
GRI 103-3

Evaluation of the management approach

The scope of material topics is limited to those activities the company carries out directly with its interest groups. Follow-up mechanisms include measuring results, comments from interest groups, and external whistleblower systems managed by Deloitte.

Whistleblowing Comparison

During 2019, 42 ethical complaints and 8 reports with additional information were received, resulting in a total of 50 cases attended.



ECONOMIC

GRI 201-1

Direct economic value generated and distributed

See pages 55 and 56.

GRI 201-3

Defined benefit plan obligations and other retirement plans

All personnel receive benefits according to each country's law, with additional benefits in some cases.

	Mexico	Chile	Colombia	Honduras
End of year bonus	+	+	+	+
Vacation	+	+	+	+
Vacation bonus	+			
Saving Fund	+		+	
Social Security	+		+	
Other guaranteed payments		+ Meal bonus		+ 14 ^o month
Performance bonus	+	+ National-holiday bonus		+
Profit sharing	+	+ Transport costs		
Long-term incentives	+*			
Major medical expenses	+*			+*
Medical exam	+			+
Life insurance	+			+
Cafeteria	+**			
Educational assistance				+

* Only at certain levels

** Only in offices



Proportion of spending on local suppliers.

65% of our spending on providers went to national distributors from various parts of Mexico.

To select providers that boast the best market conditions to meet our company’s demand, GIA emphasizes whether or not candidates promote or develop social-responsibility programs as part of their corporate culture.



Operations assessed for risks related to corruption

All our operations are assessed.



Communication and training about anti-corruption policies and procedures

We promote and provide formal mechanisms to detect illegal practices, using our Ethics Code, integrity policies, and external whistleblower system.



Total complaints received:
42

of which **40** are closed and two are in process.

Resolved complaints	Resolved complaints	Resolved complaints
100%	100%	86%
Complaints received	Complaints received	Complaints received
23	34	42
2017	2018	2019



Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.

As outlined in our Ethics Code, we compete according to the laws and guidelines on fair competition in Mexico and in other countries where we operate.

ENVIRONMENT

Project environmental impact. We evaluate our projects’ environmental impact according to the Leopold methodology, which weighs environmental costs and benefits. As such, we can focus our efforts on those areas with the highest impact.

HP Planet Partners. We have participated in Hewlett Packard’s Planet Partners program for the last nine years. Thanks to this program, 100% of HP’s toner cartridges and 80% of their original ink cartridges are made with content from recycled, returned cartridges.



Vivero DOIX. Since its inauguration in 2012, our greenhouse, located in the town of Miahuatlán de Porfirio Díaz, in the state of Oaxaca, has contributed enormously to reforesting the town and surrounding areas.



42 different species
8,146 existing trees
2,530 trees planted this year
1,917 trees donated to educational institutes, non-profits, neighborhoods in Miahuatlán and surrounding areas.





Energy consumption within the organization

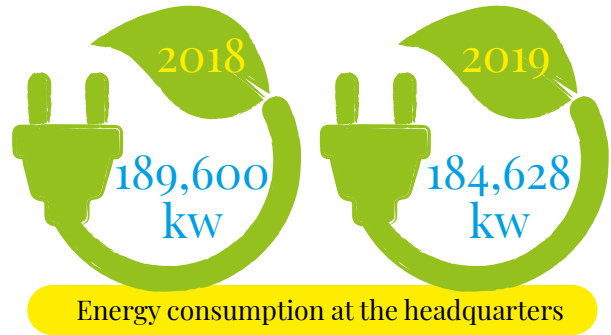


Reduction of energy consumption



Interactions with water as a shared resource

At the onset of each project, the Head of Environmental Affairs registers GIA as a generator of waste requiring special handling and annually declares and updates the environmentally polluting emissions inventory, which includes atmospheric emissions, noise, residue requiring special handling, water residue, and more. Furthermore, the Head of Environmental Affairs ensures the availability of water stations for cleaning, jugs for drinking, and sufficient treated water for irrigation and dust control.



Non-compliance with environmental laws and regulations.

Our processes ensure that we uphold the environmental law. As such, we have received no sanctions for breaking the law.



Fundación GIA aims to support the communities living in the areas where we operate through social and environmental initiatives that improve quality of life. The initiatives housed under the Fundación are based on four main pillars.

1 Preserving the environment: we seek to make a positive impact on the environment and promote sustainable development to protect the ecosystems of our areas of operation.



13,034
PEOPLE
BENEFITTED
FROM
DONATIONS TO
INSTITUTIONS.

20% direct
80% indirect
3.6 million pesos

2 Bringing peace near: we provide access to health services to those who need them.





New employee hires and employee turnover

Annual turnover: **17%** Total hires: **139**



Parental leave

Our reincorporation rate following paternal leave stands at 99%.



Occupational health and safety management system

Our management system is documented within the Industrial Security, Occupational Safety, Environment, and Quality (SISOMAC) process, which comprises activities and procedures based on Regulations ISO 1005, ISO 1006, and ISO 14001_2005. Our clients and the authorities must uphold these in order to sustainably lower labor risks.



Hazard identification, risk assessment, and incident investigation

For each project, we draft a quality plan that outlines contractual requirements and applicable legislation and local norms. Likewise, we detect risks that may impact activity performance stemming from the Quality Plan.



Occupational health services

GIA's occupational health services include the following:

- Conducting epidemiological surveillance to assess workers' health, conditions, and the environment, while conducting and supervising health campaigns.
- Preventing accidents and occupational risks.
- Performing medical examinations upon entry and periodically thereafter.



Worker participation, consultation, and communication on occupational health and safety

The Social Responsibility Committee's monthly meetings address all topics related to personnel health and safety, while reviewing and authorizing information campaigns for collaborators according to our annual occupational health plan.

Rebuilding housing: we support populations affected by natural disasters.



Boosting wellbeing in the community: we aim to become allies to the communities in which we take on projects and boost their development.



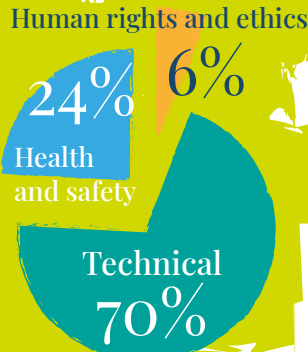


Average hours of training per year per employee

Total training hours:

28,780

On average, employees received **42.3 hours** of training per person in 2019.



Security personnel trained in human rights policies or procedures

See GRI 404-1



Percentage of employees receiving regular performance and career development reviews.

All employees are evaluated on a yearly basis.



Employee training on human rights policies or procedures

See GRI 404-1



Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

GIA respects all collaborators' right to freedom of association. Thus, we have identified no threat or violation of freedom of association.



Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

To select providers, on top of seeking the best market conditions, GIA considers whether candidates promote or develop social-responsibility programs that include human rights as part of their corporate culture.



Operations and suppliers at significant risk for incidents of child labor

Forced or compulsory labor

As outlined in point 6.6 of our ethics code, child labor and forced labor, either direct or within our value chain, is strictly prohibited at GIA.

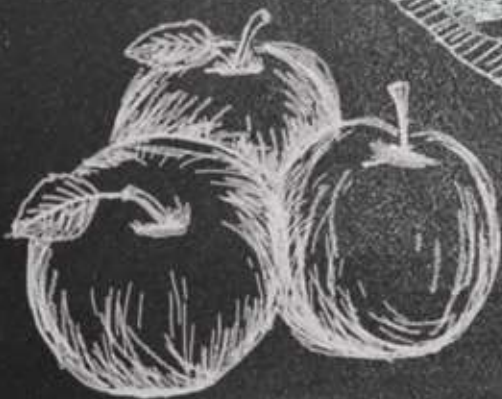
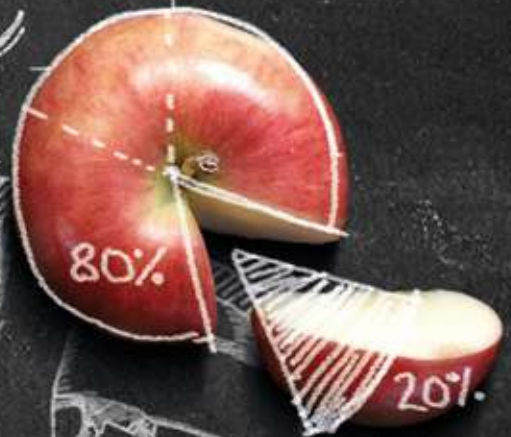


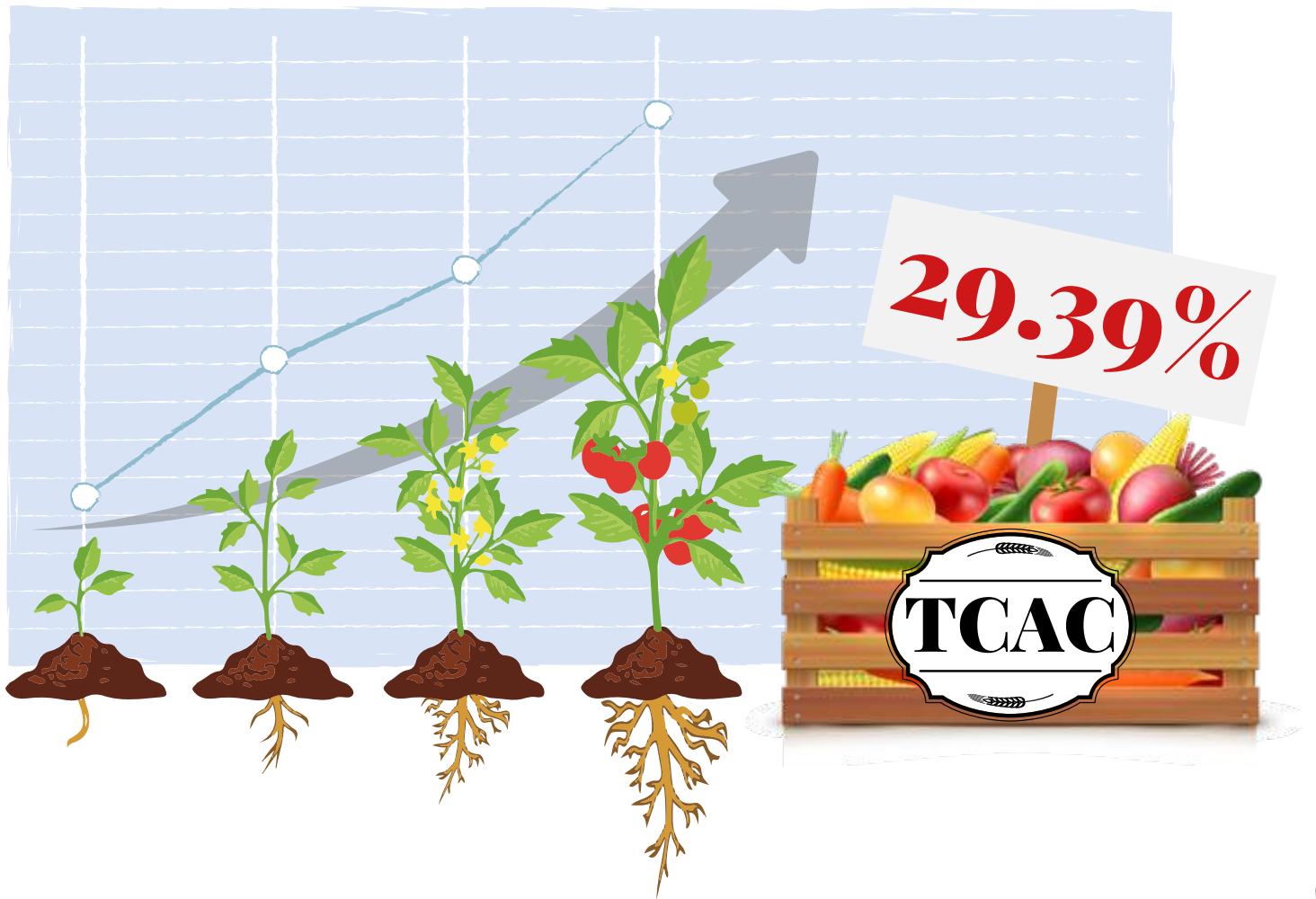
Operations with local community engagement, impact assessments, and development programs

For each project, we conduct an environmental impact evaluation and draft a linkage plan to incorporate activities that help address the needs of the community in which we operate.

Subject	Activities	Benefitted Groups			
		Collaborator	Relatives	Community	Subcontractors
Health	Get Moving: Sunday training and yoga	X	X		
	Sports tournaments	X			X
	Racing for a Cause	X	X	X	
	Vaccination campaigns and health talks	X			
	Stress management	X			
	Healthy menu	X			X
	Medical check-up	X			
	Health week	X			X
	Medical dispensary			X	
Community ties	Literacy program	X			X
	Welcoming babies	X	X		
	Milk-A-Thon			X	
	Supply collection			X	
	NGO donations			X	
	Wardrobe support			X	
	A Friend to Watch Over You	X	X	X	
	Your Voice Matters	X	X	X	X
	Employment sources in towns	X		X	X
	GIA Store	X		X	
	Volunteering	X		X	
	Goalpost for elementary school			X	
	Piñatas for the DIF (National System for Integral Family Development)			X	
	Computer equipment donations			X	
	Bedsheet donations			X	
	Electricity installation in elementary school			X	
	Multi-sport field			X	
	Concert sponsorship	X	X	X	
	Women's' empowerment day	X		X	X
	Tamale party for the One-Stop Care Center			X	
Viejito Pascuero (in Chile).		X	X		
Smile marathon			X		
Medio ambiente	Toner and cartridge recycling			X	X
	Measuring air quality at project sites	X		X	X
	Environmental education for children		X	X	
	Tree donation			X	
	PET donation			X	X
	Green ideas	X	X		X
	Reforestation			X	X

Corporate Finance



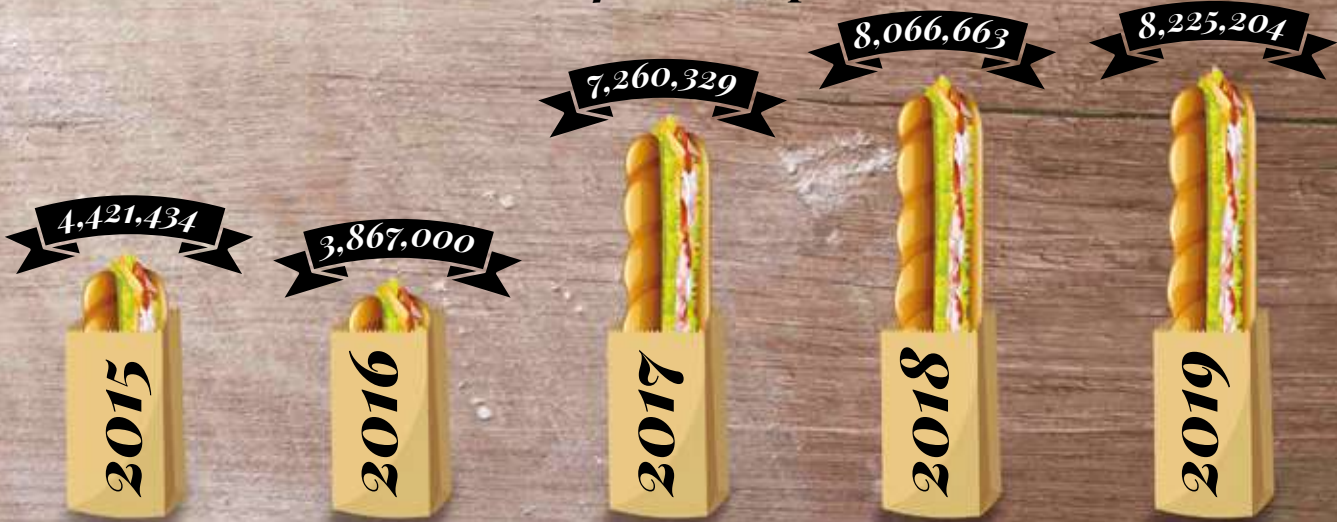


Corporate employees

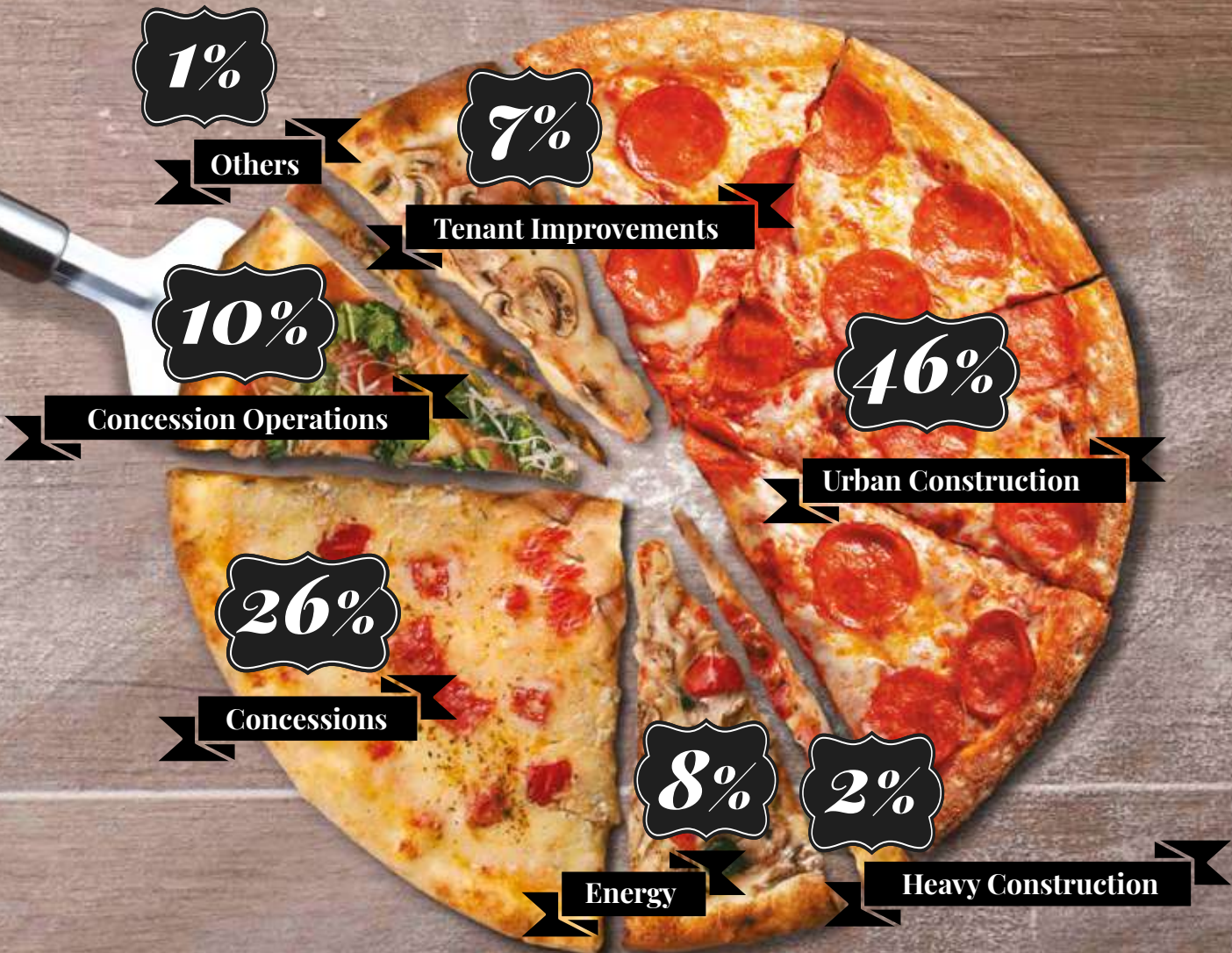


Sales GLA Group

Millions of Mexican pesos



Sales by Division





The
ingredients
of
success





GIA®